THE

ERA OF FRAUDS

IN THE

METHODIST BOOK CONCERN

AT NEW YORK

BY

JOHN LANAHAN, D. D.

1896
METHODIST BOOK DEPOSITORY
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DEDICATION.

The fathers of Methodism by whose toils and sacrifices the Book Concern was founded, adopted the following, which has remained the law of the Church to the present:

"THE PROFITS ARISING FROM THE BOOK CONCERN, AFTER A SUFFICIENT CAPITAL TO CARRY ON THE BUSINESS IS RETAINED, SHALL BE REGULARLY APPLIED TO THE RELIEF OF TRAVELING, SUPERNUMERARY AND SUPERANNUATED MINISTERS, THEIR WIVES, WIDOWS AND CHILDREN."

I dedicate this narrative to the above worthy servants of the Church, who were long deprived of what belonged to them, by mismanagement and frauds.

"I HEARD THE DEFAMING OF MANY, FEAR ON EVERY SIDE. REPORT, SAY THEY, AND WE WILL REPORT IT. ALL MY FAMILIARS WATCHED FOR MY HALTING, SAYING, PERADVENTURE HE WILL BE ENTICED, AND WE SHALL PREVAIL AGAINST HIM, AND WE SHALL TAKE OUR REVENGE ON HIM."—JEREMIAH, CHAP. 20, 10.

PREFACE.

No one can regret an era of fraud in the Methodist Book Concern at New York, that has led to the writing of these pages, more than I do, and in the writing of them I trust I am perfectly free from the spirit of vindictiveness; indeed if I thought that was the spirit prompting me, I would consign the manuscript to the flames rather than to the publishers.

But for more than thirty years I had stood in the pulpit of the Methodist Episcopal Church preaching the Gospel of Christ and telling men how to live—I had been a man of strictly one work—the work assigned me by the Church, and wherever and whatever that work has been I did it to the extent of my ability, feeling that it was due to my profession as a minister of Christ and to the Church to which, under God, I was indebted for all I am and all I hope for in time and in eternity. I do not know that ever during those thirty-odd years a word was breathed by any one against my moral and Christian character.

There came a time, however, when I was assailed as a slanderer of honest people. I was

twice suspended from my official position in the Church and thrown into jail on the charge of maligning Christian gentlemen. Four, at least, of the official papers of the Church with a circulation of nearly a hundred thousand, almost every week for two years held me up to public reproach, and the Church at large to this day does not know whether there was not some ground for the charges instituted against me and the abuse heaped upon me. Ever since imputations have been cast upon me, in some instances by high officials, tending to destroy confidence in my integrity, of which the following by the late Rev. W. L. Harris, in a biographical sketch of my successor in the Agency, Rev. R. Nelson, in the Quarterly Review, of October, 1879, is a specimen:

> He succeeded to his agency in troublous times. The Book Concern had just passed through a most trying ordeal. Its former management had been fearfully assailed and maligned, not only in private circles, both within and without the Church, and in the public prints throughout the country and in foreign lands, thus begetting great hesitancy and distrust everywhere in relation to its affairs. Although the results of the most careful and exhaustive scrutiny that could be made by competent and skilled accountants signally failed to justify or even excuse the slightest suspicion of the honesty of its Agents, or the solvency of the institution, yet the vigorous and persistent assaults upon both, strongly tended to overthrow its credit and destroy its usefulness.

It is no relief to me that the malice and hostility alleged against the Book Concern are, in

the above statement, so to say, impersonal, or that this great wrong is not by name ascribed to me; for, though the putting of the charge implies that assailants and maligners were numerous, it is known to the whole M. E. Church, and to multitudes beyond its pale, that I alone am held responsible—a responsibility I have never sought to evade—for the charges against the management of the Book Concern, as I found it soon after I entered upon my duties as one of the Agents, in obedience to the appointment of the General Conference of 1868. Though apparently general, the charge points in one direction only. The head and front of that offending was myself. The arraignment is, therefore, of me. The severe condemnation launched against assailants and maligners, will, wherever the paper is read, fall on me alone. Thus I was publicly accused, no less really than if by name, of a heinous crime, and that by one of the officials of the Church to which I belonged, and, in the pages of that one of its periodicals in which its weightiest utterances are wont to have expression, and what is most unseemly, interjected into a eulogy of the dead.

Eight years after my Agency in the Book Concern had ended, I was a delegate to the General Conference at Cincinnati, Ohio. On an occasion when I was participating in the business before the Conference, a visiting clergyman inquired

of my friend, Rev. Dr. K. P. Jervis, who was also a delegate, for my name. When informed, he exclaimed, "Why, no persons here respect him, do they?" In a pleasant way, Dr. Jervis gave me the particulars the same day. No doubt the stranger supposed he had good reasons for the remark. He had, perhaps, gotten his estimate of me from the Christian Advocate, and the report of the Book Committee. I have no doubt there are many throughout the Church like-minded; others who believe there were wrongs in the Concern that needed correction, are of the opinion that the correction could and should have been made by the Agents without much publicity and controversy. Such opinions are entirely natural and reasonable in minds that know little or nothing about the facts. I am entirely willing to abide the judgment of all such after they shall have examined the facts of this narrative, which is but a meagre statement of the whole case.

Only at the last General Conference, Dr. C. C. McCabe, in a speech on the floor of that body, declared that "the Church never lost a dollar by one of its Agents," which could be interpreted in no other way than as confirmatory of the charges under which I was misrepresented by the official press, suspended, and imprisoned.

For the sake of my Christian name, and for the sake of my children and my children's chil-

dren, ought I not, before death shall seal my lips, lift this cloud that has hung over me for more than twenty years?

But the reason for writing these pages is not merely personal. In my judgment no funds are so sacred as those contributed in the name of Christian charity, contributed in some instances by poor people who can ill afford to give of their substance. We believe God continually watches over all such gifts, and if men trifle with them, or misappropriate them, they do so at their peril.

I trust the reader will discover in almost every page of this narrative an effort to show that a misuse of the funds of the Church of Christ is attended with disastrous consequences to those who are guilty; that they shall not long enjoy their ill-gotten gains, and that sooner or later all such crimes shall be published as upon the house-top. Of such wrong-doers, and of those who through sympathy, or otherwise, help to cover the wrongs, it may be truly said: "Be sure your sin will find you out." If henceforth charitable funds, especially in the Methodist Episcopal Church, are not guarded with greater care, if the hand of the thief when stretched out to make unlawful use of them is not more likely to be paralyzed, then one of the principal purposes the author of this narrative has had in mind when writing it, will fail of its accom-

plishment. But I am sure that those who are disposed to give to the great philanthropies of our Church can do so with greater confidence by reason of these exposures, and that a wiser and more faithful distribution of what is given will be made than ever before in the history of Methodism.

It is proper to say, that when the broad, emphatic averment was made at the last General Conference, that the Church had "never lost a dollar by one of its Agents," I determined to challenge it, and more than anything else it has led to this publication, especially as the speaker had been making similar and much more sweeping declarations during preceding years. At my request, the General Conference unanimously ordered that I have access to the records of the Book Committee. Upon application to the Agents at New York, Messrs. Hunt and Eaton, I was surprised to learn that "after a careful and thorough search the records could not be found." Whereupon I published the following advertisement in the Christian Advocate of June 28, 1894:

LOST OR STOLEN—$100 REWARD.

The last General Conference unanimously adopted the following resolution: "Whereas, The Rev. J. Lanahan desires to examine the records of the Book Committee appointed in 1868; therefore, Resolved, That such permission be granted him."

Upon application to the Book Agents at New York, Messrs. Hunt & Eaton, they wrote me: "We have made the most thorough search, the second time, in every part of the building, and have not been able to find the records of the Book Committee at the time of your trial."

I will pay the above reward for the recovery of said records, or for information that may lead to their recovery.

JOHN LANAHAN,

June 11, 1894. 118 E. Baltimore St., Baltimore, Md.

Fortunately, I had copied a large part of these records, and had kept notes of the proceedings and doings of the Committee and other events from day to day, all of which have been carefully preserved. I have therefore been able to furnish in a substantial and reliable form the necessary facts, and for their correctness I shall be ready and willing at any time to answer before any ecclesiastical or civil tribunal.

If the approaching General Conference shall order an examination, I care not by whom, nor by how many, I shall claim but one thing—namely, to be represented in person and by one accountant of my own choosing. If this is granted, and I do not demonstrate the truth of my charges, the Church will be justified in doing what the majority of the Book Committee and a part of the official press planned and labored to do: Make my name the synonym of infamy and hang my character on the gibbet of Methodist history.

As showing how such matters as are given

in this narrative were dealt with by a sister church, I ask attention to the following: Only a few months ago the New York papers announced that frauds had been discovered in the "American Missionary Society," of the Protestant Episcopal Church, in that city. All allusion to it so soon disappeared from the secular press, that I was induced to write to one of the newly elected officers of the Society for information as to the facts, and he promptly responded in the following, dated April 9th, 1895:

For some years there had been no audit of the Society's accounts in bank with vouchers. The Secretary had been in charge for years. The Treasurer—unsalaried—was a man of business reputation. The financial exhibits seemed all right, the trouble was, that the balances had not been verified. It was taken for granted that they were all right. For some time, however, there had been an uneasy feeling that there was something wrong. Finally, it came to light that the Society's note for $2,000 had been discounted at a bank where the Society ought to have had a large balance. An investigation was ordered, and it was found that the Treasurer had taken nearly $22,000. He promptly made restitution and resigned. During the investigation, the expert who was working on the books noticed great discrepancies in the Society's accounts. The Secretary had been in office since 1869. The result of the investigation showed that he had taken from the Society nearly $19,000. He began overdrawing his salary about 1883, now and then taking as personal, donations sent to the Society.

It is the same old story of taking things for granted. No examination, no auditing with vouchers,—bank books and exhibits supposed to be all right. "For some time, however, there

was an uneasy feeling that there was something wrong." Had that uneasy feeling been voiced in a demand for investigation, perhaps some over-sensitive people would have complained that it was a reflection upon the good name of long-trusted servants of the Church. Finally, that irrevocable law, "Be sure your sin will find you out," brought the long delayed explosion. The newspapers called for the facts. The Church authorities did their duty and gave them. The defrauders were not allowed to prevent examination, nor did a committee plead that exposure would injure the Church. The offenders were expelled from office. The clergyman was promptly deposed from the Christian ministry, and the agitation was a thing of a day. Last, not least, the man who unearthed the frauds was not made a victim of persecution, nor was an attempt made to conceal the frauds by destroying his good name, as was attempted in my case, by officials in the Church that I faithfully had served my life long.

Laymen of the Methodist Episcopal Church—than whom a more liberal and devoted people cannot be found in Christendom,—may I not appeal to you to follow the example cited above, and compel an honest examination of my charges? None but the guilty need fear the whole truth. It is pleaded that this is "a dead issue" because some of the parties are dead. The

Church is not dead, the honor of her publishing house is not dead, public opinion is not dead, the false reports of the Book Committee and J. P. Kilbreth are not dead, but are in the Journal of the highest council of the Church, to be used when I am dead, and when the facts of this deplorable controversy are made a part of the history of the Methodist Episcopal Church.

GENERAL TABLE OF CONTENTS.

Page.

I. Appointment—Entrance on duty—Investigation and its Results, . . . 1

II. Bindery—Investigation and its Results, ... 29

1. Hoffman's salary, ... 30

III. Another Class of Frauds, ... 43

1. Frauds in leather, ... 44

2. Frauds in binders' cloth and in wages, ... 59

3. Frauds in inventories, ... 60

4. Report of sub-committee, . . . 68

IV. From Privacy to Publicity, . . . 74

V. First meeting of Book Committee, . 79

VI. Second meeting of Book Committee, 94

VII. Third meeting of Book Committee, . 122

VIII. Fourth meeting of Book Committee, 131

1. The trial commenced, ... 138

2. Charges and answers, ... 142

3. Letter of Gen. Rusling, . . . 171

4. New York Observer, editorial, . 171

IX. Conspiracy against Episcopacy, . . 174

X. Bishop Scott Sub-Committee, . . . 178

XI. Dr. Carlton's Accountants, ... 183

Page.

XII. Report of Mr. John A. Gunn, . . . 195
XIII. Report of E. H. Gouge, ... 217
XIV. Suppressed Report of an Accountant, made several years before I became one of the Agents, ... 222
XV. Accounts and Financial Methods, . 231
1. The periodical account, . . . 233
XVI. Suit for Slander, ... 250
XVII. Fifth meeting of Book Committee, . 253
1. Decision of Bishop Janes, . . 258
2. Decision of Bishop Ames, . . 262
3. General Conference of 1872, . . 265
XVIII. Outcome of the suit of Goodenough, 269
XIX. Conclusion, ... 279

APPENDICES.

I. Specimen of Fraudulent Transactions, ... 282
II. Action of the Baltimore Conference, and Dr. Slicer's Account of the Conduct of the Book Committee, . . . 293
III. A Question Answered, ... 303

APPOINTMENT — ENTRANCE ON DUTY— INVESTIGATION AND ITS RESULTS.

The General Conference of 1868 convened in Chicago the first day of May. Among the business to be transacted was the election of an Agent, and an Assistant Agent, and a Book Committee to supervise the publishing interests of the Church, in the Book Concern, at New York.

The discipline of that date prescribed the duties and prerogatives of the Agents and Book Committee in these words: "The Agents shall have authority to regulate the publications and all other parts of the Concern. It shall be their duty to send an exhibit of the state of the Book Concern at New York, to each session of the Annual Conference, and a report quadrennially, to the General Conference."

"The Book Committee shall consist of fifteen traveling ministers to be chosen by the General Conference. . . . It shall be the duty of the Committee to examine into the condition of the publishing interests of the Church, to inspect the accounts of the agents, make a report thereof yearly to all the Annual Conferences and to the General Conference. They shall also attend to such matters as may be referred to them by the Editors or Agents for their action or counsel.

And they shall have power to suspend an Editor or Agent from his official relation as such, if they judge it necessary for the interests of the Church and the Concern. And a time shall be fixed, at as early a date as practicable, for the investigation of the official conduct of said Editor or Agent, at which two or more of the Bishops shall be requested to attend, and by the concurrence of the Bishops present, and of a majority of the Committee, he may be removed from office in the interval of the General Conference."

The following persons were elected Book Committee:

District I.	James Pike,	New Hampshire Conference.
" II.	G. W. Woodruff,	New York East "
" III.	C. S. Vancleve,	Newark "
" IV.	Henry Slicer,	Baltimore "
" V.	I. S. Bingham,	Black River "
" VI.	James Erwin,	Central New York "
" VII.	G. W Maltby,	Erie "
" VIII.	J. F. Kennedy,	North Ohio "
" IX.	B. F. Rawlins,	Indiana "
" X.	F A. Blades,	Detroit "
" XI.	H. Bannister,	Wisconsin "
" XII.	Cyrus Brooks,	Minnesota "
" XIII.	L. M. Vernon,	St. Louis "
" XIV	J. H. Moore,	Illinois "
" XV.	J. Rothweiler,	Central German "

During the session of the General Conference I was frequently solicited to allow my name to be used for the senior agency at New York. I invariably refused, and stated that it was my purpose and that of my colleagues from Balti-

more Conference to vote for the re-election of Dr. Thomas Carlton, who had filled the office sixteen years. He was re-elected. When, with several others, I was nominated for Assistant Agent, I immediately stated that it was done without authority; that I was not a candidate and did not desire an election to any office. Much to my surprise, however, I was elected.

I entered on duty, at New York, early in the month of June, and was cordially received by my associate, Dr. Thomas Carlton and all the employees of the house. Nothing was said to me about the methods and details of the business, or my particular duties, beyond the general statement that I was expected to give special attention to the manufacturing departments, as my predecessor, Rev. Dr. James Porter, had done. Casually meeting Dr. Porter, I remarked that I should be obliged to him for any suggestions in regard to my particular duties. He replied that he would "answer any questions," and added, "I never have used one dollar of the money of the Book Concern." The remark surprised me, but I asked no questions. In different conversations with Dr. Daniel Wise, Editor of the Sunday School Department, and Dr. Daniel Curry, Editor of the Christian Advocate, they frequently suggested that I give special attention to the purchase of paper. After a while I was impressed with the idea that they had especial reasons for such suggestions.

Having learned that the head of the printing,

and also the head of the bindery department did all the purchasing of the material used by them, I was led in the latter part of July to question the superintendent of printing about the purchase of paper. His manner and answers impressed me unfavorably. Being unacquainted with the details of such matters, I determined before making further inquiry, to take at least six months to make myself thoroughly familiar with the workings of the Concern. I may state, however, that my first inquiry of Mr. S. J. Goodenough, in regard to the purchase of paper, was made in July, 1868, and that for some reason, there was an immediate change in his manner of making purchases.

Sometime in the fall of 1868, Mr. W. D. Wilson, a dealer in ink, called on me and stated that in the previous year he had agreed with Messrs. Carlton and Porter to purchase $300.00 worth of books as a present to the Pacific St. Sunday School, Brooklyn, of which Rev. Dr. Thomas Sewell was pastor, payment for which was to be made in ink of his manufacture; that a large part of it had been delivered and used, but some of it had been returned as unfit for use with notice from Mr. Goodenough that he would receive no more from him, and that though he had made several efforts, he could get no satisfactory explanation. He also stated that several large houses in New York used his ink, among them the Harper Bros. I inquired of that firm and they informed me that they used

Wilson's ink on their *Magazine, Weekly, Bazar* and like publications, with entire satisfaction. In another interview with Mr. Goodenough, I stated that if the above house used Wilson's ink on such publications, it ought to be good enough for our children's papers, and requested him to order a small quantity for another trial. This was done, and after a few days, it was condemned and complaint came to the Agents that the ink "set off," and blacked the hands of those who handled the papers. Mr. Wilson then sent as a *test*, not stating the quality, some of Palmer's English Ink—the best in the market—which he sold at $5.00 per pound. That also was condemned as unsuitable.

While this matter was pending the man who had been furnishing us with ink at $1.00 per pound, called on me and said he would sell us ink as cheaply as any other dealer, and volunteered to deduct ten per cent. from the bill then due him, which was $1,345.00. He also offered to give $500.00 towards our new building on Broadway, or to the Missionary Society, as I might choose. I declined both his offers, and began to express my apprehension of wrong-doing in the purchase of ink. He looked troubled, left the office promising to call again, which he never did.

Finding myself circumvented at every point, I abandoned, for the time, the further pursuit of the matter, believing, however, that we were paying $1.00 per pound for a quality of ink

which could be purchased for twenty-five cents per pound. It should be borne in mind that Goodenough did all the purchasing for the printing department without the slightest oversight by the Agents, and all bills and monthly statements, if simply marked with his initials, were paid by the cashier without examination, there being at the time no entry clerk to make a record of the goods received. His purchases of paper alone averaged largely more than $100,000 per year. He also paid all the wages of his department every two weeks, drawing from the cashier the amount named by himself upon an order in these words: "Due for wages in Printing Department, $..... S. J. G."

The wages averaged about $1800.00 every pay-day.

Goodenough's conduct in the matter of the ink, caused me to be apprehensive that there might be wrong-doing in matters of much greater magnitude, and I therefore determined to make a thorough examination into his department, especially the purchase of paper. I requested the book-keeper to show me some of the vouchers for paper purchased. He said he had none; that Mr. Goodenough kept them, and that he made entries in the account books from "Monthly Statements." I named this to Dr. Carlton, who replied: "That is all right, Mr. Goodenough keeps the vouchers." I expressed surprise that the man who purchased, received,

and directed the use of the paper, should be allowed to retain the only proper vouchers, and the house pay on monthly statements. Dr. Carlton insisted that it was all right.

The first regular meeting of the Book Committee, appointed by the General Conference of 1868, was held the next succeeding February, when a standing sub-committee was appointed, Rev. Jas. Pike, chairman. At one of its sessions, questions were asked by the committee in regard to the management of the Book Concern. Dr. Carlton replied: "We have a perfect system of checks and balances, so that nothing can go wrong without the knowledge of the Agents." I remarked that I did not think the checks and balances as good as he seemed to. The committee gave no attention to my remark, and I did not particularize. I was so anxious to induce the committee to question me about the methods of business, that I asked whether in their judgment, I had the right by my own act to discharge an employee. My reasons for the question were not asked, but in an informal way they indicated that I could not do it without the consent of the Senior Agent. He did not speak. There were no outside persons present at this meeting, but a few days after a manufacturer of paper told me that Mr. J. F. Porter said to him, "I have an open field in the Book Concern; the committee decided that Lanahan is a subordinate, and has no power."

The committee expressed the opinion that

it would be well for one of the agents to live in the city so as to be convenient to the Concern in case of an emergency, and proposed to add $500 to the salary, which was $4,500.00, in view of the increased cost of house rent. I expressed a willingness to do so, but stated that I would not consent to receive a larger salary than the other General Conference officers, all of whom lived out of the city. They pressed the matter upon me, and I finally stated that if the increase was allowed I positively would not draw the money and thus be made invidious. Many times I have had cause to be thankful that I so determined. If I had allowed it, strange stories might have been proclaimed throughout the Church. I paid $1800 for a very plain house not far from the Book Concern. I could have rented as good for $500 in one of the adjacent towns.

After the adjournment of the committee, I reminded Dr. Carlton of what he had said, and again expressed my disapproval of the Superintendent keeping the only proper vouchers of purchases of paper that amounted to so large a sum of money, but my protest availed nothing.

As evidence that this and another strange practice was of long standing, and one not approved by a former committee, I cite the following from the records of that committee, dated February 28th, 1862. "The Committee suggest that if the reception of money was more exclusively in the hands of the cashier, an ad-

vantage might be gained. And it is also suggested that the vouchers for money paid in the printing and bindery departments, should be placed in the hands of the Agents, and not retained by the heads of the former.

CHARLES B. TIPPET,
S. Y. MONROE."

The above shows that the practice of allowing the two heads of the printing and bindery departments to retain the only proper vouchers was of long standing; not only so, but that the "reception of money" was not "exclusively placed in the hands of the cashier." I suppose the committee of that quadrennium thought a mere "suggestion" was all that was needed to correct such glaring improprieties, but no change was made in the existing methods.

Having had about ten months' experience and observation in the Book Concern, I thought proper to ask Mr. Goodenough for the vouchers for paper purchased for one year. Instead of the vouchers he sent two "Order Books," which contained only the stubs of the orders he had sent out, with the following note:

Methodist Book Concern, April 22, 1869.

Dr. Lanahan:

I called at your desk two or three times to answer your question in person, but found you engaged elsewhere. These books contain all the orders for stock within the time named. I have not made contracts with parties, but have made orders from time to time, taking advantage of the market as to prices, and not confining orders to any one,

unless it proved of advantage to the House. In a falling market contracts are annoying. I shall be glad to explain anything you may not quite understand. I am confident that we have bought at the lowest market rates, and not infrequently below the market.

Yours, etc., S. J. GOODENOUGH.

I returned the order books, and requested him to send me the original bills for one year, which he did. These bills showed that all the paper for the year had been purchased of the following persons: S. D. Warren, Boston; Campbell, Hall & Co., New York; J. F. Porter, a son of my predecessor, Dr. James Porter.

On examination of one of Porter's vouchers, dated April 30th, 1868, it showed that he had charged the Concern $13.50 per ream for a certain lot of paper. The books of the firm from which he purchased it, and his own subsequent admission, proved that he had bought it the day before for $10.80 per ream, thus realizing a profit for himself of more than twenty-five per cent. Until Porter obtained control of the purchases, this firm had sold the Concern direct, and I was assured by them that they would have much preferred to sell to the Concern as low as to Porter, if its proper representative had called upon them.

This unexpected development was so contrary to Goodenough's statement in his note that I determined to make a still more thorough examination of the purchases of paper. I first called upon the New York firm above alluded to, and

they informed me that for several years all orders from the Concern came through J. F. Porter, who claimed to have entire control of the purchasing for the Book Rooms, and that they could get no orders except as they paid Porter a percentage, or commission, which percentage, by his direction, was added to the price they would have sold to the Concern if its proper representative had delivered the orders. They said further, that it was an unusual way of doing business, but that they had submitted to it because it was understood by the trade generally, that no paper could be sold to the Methodist Book Concern except through Porter, and upon such conditions as he dictated. The orders delivered by Porter were in the name of the Book Concern, and signed by Goodenough, the bills being made out to the house, and not to Porter. This firm's place of business was, and is yet, within ten minutes' walk of the Book Concern, yet Goodenough had been there but twice in four years, and then merely to inquire about certain grades of paper, the orders for which were subsequently delivered by Porter, and upon these also, he received a percentage, which was added to the price, all of which the Book Concern paid.

A day or two after I had made these discoveries, I told Mr. Goodenough that in my examination of the paper purchases, I had found that the facts were in conflict with the statements contained in his note. He said he would like to see it proved, and again assured me that he fre-

quently canvassed the market, and he was confident that he often purchased below the market price. I asked him if he purchased directly from the manufacturers. He replied that he did. Determined to prevent the possibility of being misunderstood, I said, "What I mean is this: do you purchase directly from the persons whose bills we pay?" He assured me that he did. I then said, "Is there any third person between you and the dealers from whom you purchase?" He replied that there was not. I asked him how he delivered his orders. He answered that he delivered them in person, or sent them by mail. I asked him to state the date and amount of his last order. He said that it was about two weeks before, and was for five hundred reams of extra super-calendered paper. I asked him how he delivered that order. He replied that he could not remember. I reminded him that it amounted to about $5,130.00, and that he ought to remember how he delivered an order of that magnitude. He insisted that he could not remember, yet this order had been made April 1st, only eleven days before.

This interview, I may say, was in the presence of Dr. Carlton. I had previously collected evidence that all of these statements were positively false, but deemed it best not to present it until I had gotten it in writing. From the New York firm I received subsequently the following copy of the order referred to:

Methodist Book Concern, New York, April 11th, 1869.

Messrs. Campbell, Hall & Co.:

Please forward 500 reams of extra sup. cal. 29x42—54. 19 cents.

Respectfully, S. J. GOODENOUGH.

The above order was delivered by Porter, upon it he received $2\frac{1}{2}$ per cent., and one cent per pound, which by his order, was added to the price, the Book Concern paying the bill. They also gave me a statement in writing of fifty-one orders, in the preceding four years, all of which were in the name of the Book Concern, and signed "S. J. Goodenough," but were delivered by Porter. These orders amounted in the aggregate to $174,985.24. Being thus further assured that Goodenough's statements were false, I laid the facts before Dr. Carlton, and asked him to examine them. Instead of doing so, he indulged in severe criticisms upon Porter, stating grave matters of which I had not previously heard, and greatly increased my surprise that such a man should have been allowed the control of so large an interest of the House.

At a subsequent interview between Dr. Carlton, myself and Mr. Goodenough, Goodenough gave as a reason for his former statement that there was no "third party," that he thought Porter was the clerk of the New York firm. I replied that he could not have so thought, as he had known Porter for many years, and was at that time purchasing more paper from him, in his own name, than from all other persons.

While this interview was going on I received a note from Boston, informing me that Porter controlled our business there, and I said to Goodenough: "I shall not be surprised to find that Porter controls our business in Boston, as he does in New York." With an air of injured innocence, he threw himself back in the chair and said, "That is ridiculous, you will find no such thing." I then read to him the note referred to as follows: "We pay Porter a commission, and can't do business with the Book Concern in any other way." I remarked, "Here is a rebuttal to your denial, strangely received during this conversation." I handed the note to Dr. Carlton to read. Goodenough was silent, and did not then, as in the former case—and as he did subsequently—plead that Porter was a clerk of the Boston house. As was usual when Goodenough was present Dr. Carlton was silent.

The day following this interview, I told Dr. Carlton that Goodenough must leave the House, or I would. I also wrote a brief statement to the then Chairman of the Book Committee, Dr. Slicer, informing him of my probable resignation. Dr. Carlton proposed to assign Goodenough to another position in the House. I objected. He then proposed that he be allowed to resign, the resignation to take effect in six months. I objected, that I would not do business even six months with a man who had told falsehoods to conceal his frauds. He then said that Goodenough had many friends among our preachers in

New York, and that his removal would create great excitement. I replied that we were agents of the whole church, and should not be deterred from our duty because a man's friends were numerous among the preachers. He then said that Mr. Goodenough was a member of the "Printers' Union," as were many of the men under him, and that they might rebel. I replied that if any of them interfered they ought to be discharged. He asked what I would do if they all rebelled? I answered that I would favor closing the house until men could be found who would mind their own business. He then proposed to call in some of the preachers of New York. I acquiesced, but he declined to carry out his own proposition. He then proposed to call in Rev. Bishop Janes. To this I also agreed. The Bishop came, and after hearing a brief statement of the case, said "Mr. Goodenough ought to be allowed to resign." Dr. Carlton said he was afraid Goodenough would refuse to resign. The Bishop replied that that was not for Goodenough to determine. After all this and like demur from Dr. Carlton, Goodenough's resignation came and was accepted, to take effect at the end of thirty days. He remained half that time, and received pay for the whole.

I continued my investigations, and in the prosecution of them received the following letters from the house in Boston:

Boston, June 14th, 1869.

Mr. J. Lanahan:

Dear Sir:—I am in receipt of yours of the 10th inst., making inquiry respecting the orders for paper from the Methodist Book Concern. I will answer your questions.

1. All orders which Grant, Warren and myself have received since July, 1867, have come direct from the house. For one year (from July, 1867 to July, 1868,) no orders were received from the house. Since July, 1868, the orders in the main, have come through J. F. Porter.

2. On these orders, that is, from July, 1868, a commission has been paid.

3. The sum paid in the aggregate, amounted to $3,310.50.

I trust this reply will be satisfactory. If further explanation is needed, it will be cheerfully given. Some one from my house will call upon you some time next week.

Yours, etc., S. D. WARREN.

Boston, December 28th, 1869.

Rev. J. Lanahan:

Dear Sir.—The amount of paper furnished the M. B. C., on which I paid Mr. J. F. Porter the difference in the price charged the house, and the price agreed with him, was $62,732.57.

I remain, Yours very truly,

S. D. WARREN, per W. H. Wardwell.

Boston, August 17th, 1869.

Mr. J. Lanahan:

Dear Sir.—Yours of the 13th inst., is received. In my letter of June 14th, I stated that no orders were received by me from the Methodist Book Concern, from July, 1867 to July, 1868. I should have excepted the newspaper, 33¾x46-56; about 80 reams per week for the Christian Advocate. These orders came direct from the house, but upon these Mr. Porter received a commission. In reply to your inquiry:

1. Early in July, 1867, Mr. Goodenough stated to me that an arrangement had been made by which he was to be relieved of the care that was pressing upon him, and was to have the assistance of Mr. J. F. Porter; that Mr. Porter

was to purchase all the paper we might sell to the Methodist Book Concern. We must arrange with him as to terms.

2. Mr. Porter having been so introduced, I treated with him as to prices, and, under the pressure of competition, fixed a very low figure the paper must yield me, not knowing what price he intended to charge the Book Concern.

When the orders again came in the name of the house, but as before, through Mr. Porter, my price remained the same, and the difference between my price and that paid by the Book Concern, was given to Mr. Porter, as commission. This was done as necessary to retain the business.

Yours, etc., S. D. WARREN.

From this letter it appears that in July, 1867, the Boston house was informed by Goodenough that thereafter J. F. Porter was to purchase all the paper for the Book Concern, and that they must arrange with him as to terms: That they paid Porter a commission on all paper sold to the Concern: That they could not retain the business in any other way: That in July, 1868, orders again went to them in the name of the Book Concern, but, as before, through Porter, who continued to receive a commission. This proves that my first inquiry of Goodenough (in July, 1868), led to an immediate change in the form of making the purchases by Porter, and further demonstrated that this whole arrangement was a secret contrivance between Goodenough and Porter, whereby the Book Concern was defrauded out of the amount received by Porter.

But this is not all. The books show that Porter had controlled the purchase of paper for the house prior to 1864. This could only be

done through the connivance of Goodenough. From 1864 to 1869, Porter sold to the Concern direct, and received a percentage on purchases from other dealers, to the amount of about $526,617.50. I do not say what were his profits and percentage on this enormous sum, but from the specimens of exorbitant prices charged by him, which I shall furnish in another part of this narrative, a tolerably correct judgment can be formed.

I need not argue here that this arrangement with Porter was improper, nor try to prove that it was a breach of trust. The anxiety of Goodenough to conceal it, his tergiversations and contradictory statements, the testimony of the firms who were compelled to submit to it, sufficiently demonstrate its fraudulent character. In point of fact, J. F. Porter enjoyed a monopoly of the purchase of paper for the Book Concern by a secret arrangement with Goodenough, and upon every pound the Concern bought, no matter how ordered, nor from whom, he levied a tax, which the dealers, by his direction, added to the cost, and this the house had to pay.

It is not unusual to buy paper and other merchandise through brokers, but when was it ever heard that a man was employed as a broker for a house or houses, when he himself was engaged in selling in his own name the same article as the house or houses that employed him? The New York and Boston houses both, as I shall show, repudiated the statement that they em-

ployed Porter to sell paper for them, yet in the face of their written and published denials, The Christian Advocate repeatedly told the church that Porter was a "middle man" or "broker," and was employed by these houses. The case was of one man who was allowed to take full possession of this part of the immense business. All the while the dealers verbally, and in writing, testified that they would have sold as cheaply to the Concern as to Porter, less the percentage he received. It would have been more than strange if they would not.

It was well known that at the General Conference of 1868, Dr. Carlton gave as a reason why his colleague, Dr. Porter, should not be re-elected, that his son James had a monopoly of the purchase of paper to the damage of the Concern; and yet, after my election, Porter was allowed to continue this shameful monopoly, until I discovered the fraud and stopped it. But still more amazing is the fact, that in my efforts to correct the wrongs, I met with the most determined opposition, and finally a powerful combination, headed by Dr. Carlton, and the Editor and Assistant Editor of The Christian Advocate, and Mr. E. L. Fancher, was formed for the purpose of expelling me from my office in disgrace. And even yet more amazing, a majority of the Book Committee finally joined the combination, and not only assumed prerogatives that did not belong to them, but, as will appear in this narrative, actually trampled upon the law of the

Church, and every principle of common justice to accomplish their horrible purpose.

At this point I put the evidence of the Goodenough-Porter fraud briefly, in the following series of statements.

Statement I.—That James F. Porter was allowed to control the purchase of paper for the Book Concern to his own personal profit, and to the detriment of the Concern.

As proof that Porter controlled the business, I give some of the letters of the houses from which the purchases were made. The following is an extract from the letter of S. D. Warren, Boston, already quoted in full:

"Early in July, 1867, Mr. Goodenough stated to me that an arrangement had been made by which he was to be relieved of the care that was pressing upon him, and was to have the assistance of Mr. J. F. Porter. That Mr. Porter was to purchase all the paper we might furnish the M. B. C. We must arrange with Mr. Porter as to terms." The same letter further says: "We fixed a low price the paper must yield us, not knowing what price he (Porter), intended to charge the Book Concern." He could, and did charge what he pleased.

In another letter, dated Boston, December 28, 1869, this same firm writes as follows:

Mr. J. Lanahan:

Dear Sir.—You ask if Mr. J. F. Porter was employed by us to sell paper to the Methodist Book Concern. I answer he was not.

Respectfully, S. D. WARREN.

The following letter from Campbell, Hall & Co., I also offer in evidence:

New York, November 6th, 1869.

Rev. J. Lanahan:

Dear Sir.—Porter frequently told us that he had entire control of the orders of the Methodist Book Concern. He was never employed by us to sell paper. Our broker is Mr. Theodore Bartowe, to whom we pay one per cent. (one cent on the dollar), on all sales made by him.

Yours truly, CAMPBELL, HALL & CO.

In another letter of date November 10, 1869, the same firm says:

From 1863 to 1867, we paid Porter two and one-half per cent. on Book Concern purchases of paper. His demand for one cent a pound additional we paid under protest, believing the time would come when we could break up the infamous system, and ourselves and others be righted, and do business with your House as we had formerly done before Porter came on the field of action, and in the same manner as we did with other large customers.

Yours truly, CAMPBELL, HALL & CO.

I present also as further proof, the statements of these houses, showing the amount of purchases and percentages realized by Porter: From the New York House Porter received in 1868, $2,917.25. In the same year he made on what he sold in his own name, $6,872.84, making $9,790.09.

Aside from these amounts, there were about $10,000 of Porter's sales I was not able to trace. I never believed the paper was received, though paid for. Allowing twenty per cent. on that sum, a small estimate, would make his gains

$11,790 in a single year, ending July, 1868. Is the Methodist Episcopal Church any longer surprised that I preferred to resign my position rather than to be a party to these fraudulent and outrageous transactions? Porter continued, in spite of my protest, to control the business until June, 1869, a period of about nine months. During this period he received from the Boston House $3,310.50, and from the New York firm $5,785, aggregating $9,095.50. This certainly was a handsome salary for doing what Goodenough declared he himself did, when he "frequently canvassed the market to get the lowest prices." From the "Order Books" of Goodenough, I ascertained that in some cases Porter received as high as four and five cents per pound profit. I add also the letters of these houses in which they state that they would have sold as cheaply to the Book Concern as to Porter, less the percentage received by Porter.

Boston, October 12th, 1869.

John Lanahan, D. D.

My Dear Sir.—You ask in yours of yesterday, whether from July, 1867 to July, 1868 I would, under the same circumstances, have sold paper to the Methodist Book Concern at the same price I sold to Mr. J. F. Porter, if the agents of the Book Concern or their employees had applied to me in person. I reply, I know no reason why, under the same circumstances, I should not have sold as low to the Methodist Book Concern as to Porter.

Yours respectfully, S. D. WARREN.

New York, January 25th, 1869.

Rev. Dr. Lanahan:

Dear Sir.—In reply to your inquiry whether we should have furnished the Book Concern the paper sold to Mr. Porter, and upon the same terms, we have to say, we should most certainly have done so.

Yours truly, CAMPBELL, HALL & CO.

November 17th, 1869, Goodenough presented to the Book Committee a long letter in which he stated that he had shown to the Boston House a proof sheet of his defence, in which he stated that Porter was employed by that firm. I sent a copy of this letter to the firm and received in reply the following:

As to the question of the agency of Mr. Porter, Mr. Goodenough did show me a proof of his defence, which stated that Mr. Porter was my agent. I told him distinctly that he was not. He knew that he was not and never had been.

Yours truly, S. D. WARREN.

Statement II.—That the fact of Porter's purchasing in this way was known to Dr. Carlton, and at the last General Conference assigned by him as a reason why his colleague should not be re-elected, and that nevertheless, Porter continued to control the purchases until I, in the face of great opposition and personal abuse, stopped it.

As proof, I presented to the Book Committee the affidavit of a respectable gentleman, in which he said Dr. Carlton told him, "the reason Dr. Porter was not returned as Agent of the Book Concern by the General Conference, was that his

son had been employed as middle man in the purchase of paper for the Concern." (See paper marked 4 among the records of the Book Committee.) I could have added the testimony of several others.

Statement III.—That Goodenough assigned to the Boston House as a reason for giving this business to Porter, that to use his own words, he must be "relieved of the care that was pressing upon him," whereas he, during these years, instead of giving his time and attention to the Book Concern, was giving them to outside speculations of immense magnitude and variety.

I cite as proof of Goodenough's assertion the letter from Boston, dated August 17th, 1869, already quoted. (See letter signed S. D. Warren, page 16).

I name as evidence of Goodenough's outside speculations, or rather enterprises, that constituted the "care that was pressing upon him," the Charter of the "Crown Petroleum Co., New York and Canada," dated March 19th, 1865, Capital Stock $150,000.00, T. Carlton, President; H. R. Hoffman, Vice-President; S. J. Goodenough, Secretary and Treasurer. I may add that the book-keeper and other employees of the Concern were directors in this company. The meetings were secretly held in the Book Concern during the business hours of the day. I may also add that I presented to the Book Committee transcripts of the records of the company's proceedings, which showed that the senior Agent, the

superintendent of the bindery and printing departments, and the book-keeper, E. Grant, were appointed a committee to go to Canada and other places to attend to the interests of the company. The gentleman who allowed me to take a transcript of their records assured me that they had swindled him out of the money he paid for stock in the company.

I name also as further evidence of the "care that was pressing upon him," the "Ridgewood Petroleum Co.," located in Pennsylvania; capital stock $500,000.00, of which Goodenough was corporator; Dr. Carlton, H. R. Hoffman and Elihu Grant, the book-keeper, were likewise owners in this company, and clerks of the House were directors.

I name also as another ponderous "care that was pressing upon him," the "Crescent Petroleum Co., of New York and Canada"; capital stock $1,200,000.00, in which Goodenough was "Chairman of the Working Committee." In the services of these companies he travelled abroad to Pennsylvania, Canada and other places. There were other magnificent enterprises and speculations that were doubtless a heavy burden of "care pressing upon" the hard-worked Goodenough. It must be kept in mind, that apart from their frauds, Goodenough and Hoffman were entirely dependent on their salaries of $2,000 to each, per year.

I have now lying before me a transcript from the "wages book" of the printing department,

which shows that Goodenough was absent in Canada and Pennsylvania six times in one year on pay-day, and that the wages were paid by Mr. McNaughton, one of the employees of that department. The record does not state how long he was absent at these several times attending to the "care that was pressing upon him," nor could I learn how often he was absent in the interim of pay-days; but the odds and ends of such immense business after his return from these distant places, must have greatly increased the "care that was pressing upon him." Added to all these was the care of his family, that was living at Wilbraham, Mass., where he was in the practice of going every three or four weeks. How a man with such multiplied and multiform "cares pressing upon him" could give any attention to the duties for which he was employed, I leave the reader of this narrative to judge. Nor need I dwell upon the most palpable and shameful impropriety of the Senior Agent of the Book Concern being in league with the employees of the establishment in gigantic oil companies, whose charters represented one million, six hundred and fifty thousand dollars. To my poor judgment, mismanagement and frauds were as inevitable as the operation of the law of cause and effect. The Book Committee, however, seemed to think differently, hence, a majority of the Committee, with these and many like facts before them, endorsed the management and condemned me.

Statement IV.—That J. F. Porter was an utterly unfit person to be entrusted with the purchase of supplies for the Book Concern. I forbear to give the particulars of this statement, which would be an astonishment if published.

Statement V.—That as soon as Porter's monopoly was broken up by the removal of Goodenough, and the paper was purchased by myself, the saving on the average issue of the Christian Advocate alone averaged $34.73 per week, or $1,805.44 for the year, and on a single issue of the Sunday School Advocate the saving was $45.73, or $548.76 per year; on the Good News, $21.73, or $260.76 per year; on the Missionary Advocate, $58.70, or $704.40 per year. For all these periodicals, except the last named, the same quality of paper was purchased from the same manufacturers without there being any fluctuation in the market prices. The proof of this statement can be found in the "order books" of the printing department, and in my statement marked (7) in the records of the Book Committee.

Porter's profits were much larger on book and writing papers than on news-papers, varying all the way from four to five cents per pound. Now when it is taken into account that the Book Concern had fifteen printing presses almost constantly running, a general estimate can be formed of what a vast saving could have been on all the publications of the House during the Goodenough-Porter reign. The entire aggregate of

the amount of purchases during Porter's monopoly was about $700,000. I have never had a doubt that if my investigations had not been unwarrantably stopped by the Book Committee, I should have found abundant evidence, and the reader will think so too when I am through with this narrative, that large quantities of paper were paid for by the Concern that were never received.

I may add that on the arrival at the Book Concern of the first lot of paper purchased by me, I called for the scales to have it weighed, but was informed that the practice had been to receive it without weighing. After some search, an old pair of scales was found in an out of the way place which were not in balance by some seven or eight pounds. I reported these facts to Dr. Carlton, and a pair of Fairbanks scales was ordered. Such, in part, were matters in the printing department, relating to the purchase of paper alone, all of which were fully presented to the Book Committee for their consideration, and as will be seen, a majority persistently ignored.

THE BINDERY.

INVESTIGATION AND ITS RESULTS.

After Goodenough left the Book Concern, I again reminded Dr. Carlton how often I had talked with him about the loose methods of conducting the business of the House, and expressed apprehensions that, if possible, a worse state of things existed in the bindery than had been found in the printing department, and urged him to examine, without delay, offering to render any assistance in my power, but my talk availed nothing.

H. R. Hoffman was then Superintendent of the Bindery, and had held that position for about seventeen years. He lived meanwhile in Brooklyn, in an expensive style—keeping fine horses at livery, one of which had recently died, being valued at $2,000. It was his custom to take his family to Saratoga Springs every Summer. I named these matters to Dr. Carlton, who replied: "Mr. Hoffman makes money speculating in stocks." I asked him if he ever lost any, and suggested that a speculator in stocks was not a safe person to be Superintendent of the Bindery, and have the charge of its large purchases of merchandise, and the payment of the wages.

In the month of August, 1868, I had occasion to see Mr. Hoffman about a special matter of

work, and was informed that he had gone with his family to Saratoga Springs. I asked Dr. Carlton if he had gone with his permission? He said he had not. I proposed to discharge him on his return. Dr. Carlton objected, and said that we could not get along without him. I replied that he spent only two or three hours per day in the House, and so far as I could see, was of very little account. Dr. Carlton thought differently.

HOFFMAN'S SALARY.

Dr. Carlton had previously informed me that Hoffman's salary was $2,000 per year, nothing being said of perquisites. Having learned that there was no account of gold imperfections, and gold sweepings, I brought the matter to Dr. Carlton's attention, and he replied: "Mr. Hoffman is allowed these as a part of his salary, and they amount to only two hundred or three hundred dollars a year." I replied, "they amount to more than five times that sum." I also found that Hoffman was entered in the wages book as having drawn two hundred dollars per year in addition to the above amounts of salary and perquisites, and named it to Dr. Carlton, who said that "that was by agreement with the Agents." I also found that there was no report of waste paper, paper shavings, binders' board cuttings, and leather clippings, which brought a high price in those years, and ought to have yielded from $6,000 to $8,000 per year. I give only one sample out of many of Hoffman's sales of waste

paper and paper shavings as found in his "memoranda" book: "Central Lake Mills, 5,143 pounds mixed shavings, 7½, $385.73." After careful inquiry among large manufacturers of paper, I failed to learn that such mills existed. The entry in the cashier's cash book is "Sept. 30, $385—Hoffman's salary." He was discharged August 22, a month before. The article was sold to Russel & O'Connel, New York, and I have from them a statement of numerous purchases of similar articles. The canceled checks in my possession from them, show sales of $600 worth at one time. I named that to Dr. Carlton, who said he "supposed Mr. Hoffman exchanged them for other stock." I have several of the checks by which dealers paid Hoffman for some of those articles. I also found that through a series of years Hoffman had been in the practice of sending to the Cashier mere slips of paper "for miscellaneous articles," upon which he drew from $500 to $600 annually; also similar slips of paper for "Bindery purposes" from which he drew from $10 to $100 at a time. The proof of this can be furnished by persons now employed in the Bindery. No vouchers for these were presented.

I also found numerous bills for black velvet of a very superior quality, purchased by Mr. Hoffman, at $16, $18 and $20 per yard. I also found bills for colored velvet, at $7 and $9 per yard, such as is used by book binders. I learned from Mr. W. T. Andrus, who had served as Hoffman's

foreman some ten years, and who, on Hoffman's removal, was appointed, and is now Superintendent of the Bindery, and from other workmen in the Bindery, that they had seen no books issued from the Bindery in black velvet. I showed the bills to Dr. Carlton and the clerks in the store, who said they had never seen books so bound.

Having from week to week laid before my colleague the evidence of Hoffman's frauds without inducing him to act, I at last told him that if Hoffman was not discharged I would leave the House, and added, that if he believed him innocent he ought to protect him, as I certainly would in the case of any man whom I believed wrongly accused. He replied, "Mr. Hoffman is employed by the year, and has six months to serve." I answered, "We must get rid of him first, and then talk of the time he has to serve—I will not stay here with a man who is robbing the House." He then proposed that we have an interview with Hoffman, and said "you had better be careful, he is a desperate man and a great fighter." In the interview, I enumerated to Hoffman several of his most glaring frauds, all of which he denied, of course. I then said to Dr. Carlton, "You are the Senior Agent and must speak. If you believe this man innocent you ought to protect him." He replied, "I do not suppose Mr. Hoffman wishes to stay if you do not want him." Addressing me, Hoffman said, "I suppose you have seen my note to the Agents." I answered him that I had not. Dr. Carlton then produced

the following, which Hoffman had given him the day before the interview, but he had said nothing to me about it:

New York, August 22, 1869.

Messrs. Carlton and Lanahan:

Gentlemen.—I hereby resign my position as Superintendent of the Bindery of the Methodist Book Concern, to take effect the first of September, or at such other date as you may desire. Yours truly,

H. R. HOFFMAN.

Amazed at this new phase of my colleague's conduct, addressing him, I said, "Dr. Carlton, so far as I am concerned it must take effect here and now. I was deceived once by a resignation to 'take effect' (referring to Goodenough), and shall not be deceived again." He made no reply, but the "desperate man and great fighter" slunk away to his room in the Bindery, where one of the workmen saw him destroy an account book and vouchers. I continued my investigations and soon discovered that the frauds in the Bindery had connection with the account books of the Agents' office, and through the inventories as shown in the further statements of this narrative.

CHRISTIAN ADVOCATE AND ITS SUPPLEMENT.

Finding that the many editorial denials of mismanagement and fraud failed to satisfy the Church, March 17, 1870, a supplement to the Christian Advocate was published, which professed to give a digest and explanations of the

testimony taken before the Book Committee. Dr. Carlton and the Agents of the Western Book Concern, Messrs. Hitchcock and Walden, had the Supplement published in all the official papers, and thus more than a hundred thousand copies were sent throughout the Church. The materials of the Supplement were collected and arranged by W. H. De Puy and Dr. Carlton. When Dr. Curry, the editor of the Advocate, was asked before the Committee where the materials for the Supplement were gotten, he refused to answer, and said, "An editor is not bound to tell where he gets information; all the materials passed through my hands, and I am responsible for the statements of the Supplement."

Two members of the Book Committee published in the Christian Advocate, the following card:

A CARD.

To the members of the several annual conferences of the Methodist Episcopal Church:

Dear Brethren:—We respectfully ask you to suspend judgment on the matters brought to your notice by a document which has been extensively circulated as a "Supplement" to several of the official papers of the M. E. Church, till an investigation, which has been ordered by the Book Committee, in accordance with the request contained in the following paper, has been made.

May 20, 1870.

H. SLICER,
J. PIKE.

The following was also presented to the Committee, to which they gave no attention whatever:

The undersigned, members of the Book Committee, feel it their duty to call the attention of that Committee to the fact that many false statements and misrepresentations, calculated to mislead and deceive the ministers and members of the M. E. Church concerning the "Book-Room troubles," are contained in a document called "The Christian Advocate Supplement," which has been widely circulated over all the land, and we respectfully ask of the Book Committee the appointment of a sub-Committee of their number to inquire and report,

First. Concerning the truth of the charges herein contained.

Second. What General Conference Editors and Agents are responsible for originating and publishing the aforementioned "Supplement."

Third. What action ought the Book Committee to take in reference to the official conduct of the parties responsible for its issue?

L. M. VERNON,
J. PIKE,
H. SLICER.

The character of the paper can be inferred from a few selections I shall make. Of the purchase of black velvet by Hoffman, the Advocate and Supplement said:

"Among the alleged cases of misappropriation of property in the Bindery were two lots of black velvet, amounting to nearly $150. Upon inquiry nobody had any recollection of books bound in that material ever having been in the house. Suspicion had even detected its presence elsewhere, and in another use than binding books. The case for some time had really a bad look. But one day there appeared among the mail matter received by the Agents, coming from Vermont, a little square package which proved to be a small sized Methodist Hymn Book, bearing the imprint of the Methodist Book Concern, and bound in black velvet. Other hymn-books, and also a large Bible bound in the same material were heard of in various parts of the country."

But for the gravity of the matter, the above would be amusing and ridiculous. If "the little

square package" was "received by the Agents," why was I not allowed to see it before it was paraded before the Committee? As Dr. Carlton failed to give any particulars in regard to the party from whom "the little square package" came, the Editor of the Christian Advocate or his assistant, who got up the Supplement, might at least have given his numerous readers the name and post office address of the person in "Vermont," who sent the "little square package." They might also have specified at least one of the "different parts of the country" where "a large Bible and other hymn books so bound" were, or at least, how the information came to them. I had not known of the "two lots of black velvet, amounting to nearly $150," until it was brought out in the above remarkable statement of the Supplement. My examination had not yet gone as far back as "twelve or fifteen years" from the date of the Advocate's publication of it. But from the following, which is a copy of one of the numerous bills for black velvet, it appears that the article had been purchased within less than fifteen months of the time I brought the matter to the attention of the Committee. I give the date and number of the voucher, and name of the firm from which the purchase was made:

No. of Voucher, 114. New York, October 28, 1868.
Carlton and Lanahan:

Bought of Lord & Taylor, 6 yards of Black Velvet, $16—$96.00.

Endorsed, "H. R. H."

The above purchase was not "twelve or fifteen years from the date of the Supplement, March 17, 1870," nor was it fifteen months.

Thus, from the Advocate's own statement, Hoffman had been purchasing at the expense of the Book Concern, this costly article "from twelve to fifteen years," and no employee of the Concern had ever seen a book so bound. When men start out with the deliberate purpose of perverting the truth, they are apt to uncover the badness of their own cause. Had I made a thorough examination I doubt not I should have found very many such purchases by Hoffman, but I had supposed that one clear case of fraud would satisfy the Committee. I was greatly mistaken.

When Hoffman was questioned before the Book Committee, his only explanation was that "the black velvet was used to cover clerks' desks." A costly covering for clerks' desks. If the Committee had had the least desire to have confirmation of my statements, they would have asked to see the "clerks' desks" covered with the most costly velvet that the market affords, but they did not do this, and it was apparent even at their first meeting that some of the Committee were unwilling listeners to my narrative, and that unwillingness grew from day to day, and from month to month, through at least two dark years, until it culminated in the formation of a powerful combination to effect my removal from office.

No contradiction of my statement of the im-

proper use of black velvet was made at the meeting of the Committee in November, but three months after at the meeting in February, Dr. Carlton produced a newly bound hymn book in black velvet which he said came to him from Vermont. The Committee did not ask him to give the name of the person who sent it, nor the place in Vermont from which he had said it came, nor did they ask for evidence that such an edition had ever been issued by the House. Oh! no, he must not be suspected of trickery! The Committee was always in the most susceptible mood when he unravelled what needed no unravelling.

Hoffman was quite a liberal purchaser of other articles of dry goods than black velvet, which I was assured by the workmen, especially Mr. Andrus, the foreman, were not used in the Bindery, such as silks at three and four dollars a yard; also linen, cambrics and cotton goods, such as are used for bed sheets and shirts. The following copies of bills paid by the cashier are only a few samples. I give the dates, names of dealers from whom purchased, number of voucher, quantity and amounts paid. Some of the bills were in Hoffman's name:

Voucher No. 241. November 3, 1864.

Arnold & Constable:

Five yards of Black Velvet, at $16.00	$80.00
Four yards plain, at $9.71	38.84
Eight yards plain, at $9.75	$75.60
Total	$194.44

Voucher No. 52. April 17, 18— (year not given.)
H. R. Hoffman bought of George Banks:
Twenty yards of Muslin, at 25 cents.....$5.00

Voucher No. 54.
Thirty yards of Cambric, at 25 cents.....$7.50

Voucher No. 55.
Thirty yards of Muslin, at 25 cents.....$27.50

The above three separate bills were in Hoffman's name, but paid by the Cashier.

Voucher No. 185.
Mrs. H. R. Hoffman, bought of Lord & Taylor, 261 Grand Street:
Forty yards of Muslin, at 45 cents.....$18.00
H. R. H.

Voucher No. 193. November 23, 1865.
Messrs. Aitkin & Miller, bought of Lord & Taylor, 467 Broadway:
Fifteen yards Silk, at $3.50.....$52.50
5 per cent. off 2.62

$49.88

Voucher No. 26. January 14, 1867.
H. R. Hoffman, bought of Lord & Taylor, 261 Grand St.
Twenty yards Canton, at 25 cents.....$5.00

Voucher No. 73. May 28, 1867.
Mr. Hoffman, bought of Lord & Taylor:
Twelve yards Silk, at $3.00.....$36.00

Voucher No. 73. July 26, 1867.
Bought of Lord & Taylor:
Eighty-one and one-half yards Muslin, at 30 cents..$26.55
Ninety-six yards Muslin, at 30 cents..... 28.95

Total $55.50

Voucher No. 125. October 7, 1867.
Bought of Lord & Taylor, 467 Broadway, Mr. Hoffman, for Carlton and Porter:

Thirty yards Linen, at 77½ cents.....$23.25
Eighty-seven yards Muslin, at 28 cents..... 24.50
Forty-one and one-half yards Canton, at 42½ cents.. 17.64

Total $64.43

264½ yards of muslin in a little more than two months.

Voucher No. 140. November 4, 1867.
Bought of Arnold & Constable:
Three and one-half yds. Black Velvet, at $20.....$70.00

There were other articles of dry goods in this bill which I did not copy, all amounting to $180.-50. See the voucher in the Book Concern. If it cannot be found, see the cash book of the above date for the amount paid.

Voucher No. 35. March 18, 1868.
Bought of Lord & Taylor:
Eighty-one and one-third yards Muslin, at 25 cents..$22.13

Voucher No. 42. April 9, 1868.
Forty-five and three-quarter yds. Muslin, at 19½ cents, $8.93

These bills show the purchase of one hundred and twenty-six yards of muslin in twenty-one days. The four pieces noticed further on in this narrative, two of which were sent to Hoffman's house in Brooklyn, and two to a house on West 27th Street, New York, and the six pieces noticed in the sub-committee's report, make his purchases of that article more than a thousand yards in one year. No wonder that he could sell dry goods to the employees, supply his own family, and make presents to others.

Voucher No. 107. October 13, 1868.
Carlton and Lanahan, bought of Lord & Taylor:
Thirty-three yards Silk, at $3.....$99.00

Voucher No. 88.
R. H. Hoffman, bought of Lord & Taylor:
Three yards Linen, at 70 cents.....$2.10

Voucher No. 119 (No date.)
Bought of Lord & Taylor:
Twelve yards Silk, at $3.50.....$42.00

I was assured by the foreman and his men that this quantity and quality of silk was never used in the bindery.

I ascertained that Hoffman during this time was selling dry goods to employees of the Bindery. Some who had knowledge of this are now employed in that department of the Book Concern, and will testify to the fact if questioned. He was also known to send such articles to his own house in Brooklyn, and to a house on West 27th Street, New York. His foreman, Mr. W. T. Andrus, specified before the Committee four pieces of muslin which came to the Bindery at one time during the previous month of March, two of which Hoffman sent to his house in Brooklyn, and two to the house on West 27th Street, No. 132.

In my first report to the Book Committee, I stated that Hoffman kept in his employ in the Bindery a woman of bad character, and offered to furnish the proof, but the offer was not accepted. I left it out of the printed synopsis which I furnished the Committee to avoid giving publicity to such an appalling condition of

things. Only a few copies of the synopsis were printed, and those to facilitate the examination of my charges. The Advocate kept denouncing it as "the infamous fly-sheet." The Supplement, referring to the above offensive matter, said:

"We are pleased to see that Dr. Lanahan omits this from his second edition of the Fly-sheet. We are glad of it, not only because it avoids a very objectionable utterance, but also and especially it indicates a returning sense of the demands of the proprieties of life."

As the Advocate thus proclaimed to the world what I, in the discharge of my official duty as one of the Agents, communicated to the Committee in their private meeting, I will now state a more specific case. I addressed a note to Mr. J. A. Kennedy, Superintendent of Police, requesting him to inform me as to the occupant of the house on West 27th Street, No. 132, above referred to, and received the following reply:

New York, September 25, 1869.

Rev. J. Lanahan:

Dear Sir.—In reply to your inquiry in regard to the premises No. 132 W. 27th Street, I have to inform you that it is occupied by a woman known as Kate Heath, who keeps a house of prostitution, according to my books.

Respectfully, J. A. KENNEDY,
Supt. of Police.

The Advocate's statement about the "second edition" of what it called my "fly-sheet," is in keeping with its oft repeated perversions of the truth. There was no "second edition." It was a synopsis of the first report I made to the Committee by its order, and given in a printed form to each member, hoping thus to induce them to examine it.

ANOTHER CLASS OF FRAUDS.

Hoffman did work for outside parties, received and kept the money. I can give the names and particulars. He also sold the following tools as if they were his private property, and pocketed the money: One gouging machine, one backing machine, one punching machine, twenty gilding presses, twenty-six gilding stands, dies, etc., etc. I can furnish all the particulars as to the purchasers, giving the streets on which they were located, and the numbers of their houses. The above cost the Book Concern more than $1,000. They were named in the inventory of 1867, and not in the inventory of 1868.

He also gave as presents to his friends elegant illuminated Bibles, put up in the most costly style—the finest that could be produced by the House. I found out four given away at one time, a few weeks before he was discharged, and got the names of the parties to whom he gave them. One was presented to William M. Tweed, a name famous in New York, and another to a member of the Book Committee. What is to be thought of members of a Committee receiving presents from persons whose accounts and conduct they were investigating? Solomon says, "a gift taketh away the heart."

The Supplement explained the above thus:

"The story of the illuminated bibles is a short and plain one. By the etiquette of the trade, the Superintendent is entitled to a copy of every book published. Mr. Hoffman commuted this perquisite with the Agents and accepted instead of the books issued during his seventeen years of superintendency the four bibles."

Did that "etiquette" prevail in other houses? According to the above, Mr. Hoffman must have been a very generous man to relinquish seventeen years of "perquisites" for four illuminated bibles—all given away at one time, clandestinely too, for it was concealed from me. As I was one of the Agents at the time it was strange that I heard not of that "etiquette."

FRAUDS IN LEATHER.

I finally commenced an examination of the purchase of leather, and soon had reason to know that my first apprehensions were more than realized, and that Hoffman's frauds were absolutely enormous. I, therefore, determined to ascertain as nearly as possible the extent of his frauds in that one article, during the last eighteen months of his employment, namely, from December 1, 1867, the close of the fiscal year, to July 31, 1869. He was discharged August 22, 1869, but made no purchases in that month, because he knew I was watching him.

For the above purpose I employed three master binders to estimate the amount of leather of

different kinds used in the above specified time—twenty months—Messrs. W. Matthews, of the publishing house of Messrs. Daniel Appleton & Co., W. M. Miller, of the Bible House and W. T. Andrus, of the Book Concern. From the Bindery records I gave these gentlemen the number and sizes of the books that had been bound; the patterns from which we cut, and average size skins of the different kinds of leather that had been used. They acted independently of each other. Mr. Andrus counted the pieces; hence his estimate was more exact than that of the other two. The following is the result of each estimate. Of course the estimates could not be exact, but approximate the amount. The count is by dozens:

	Morocco.	Skivers.	Sheep.	Calf.
Matthews	263	770	194	11
Miller	264	820	198	12
Andrus	260	720	217	10
	787	2310	609	33

Total..... 787 Dozens of Morocco.
2310 " " Skivers.
609 " " Sheep.
33 " " Calf.

This aggregate divided by 3)3739

Makes the amount used.... 1246⅓ dozens.

I then got:

1. The number of dozens on hand as per inventory, December 1, 1867.....1111 doz.
2. The number of dozens purchased from Dec. 1, 1867 to July 31, 1869.....2642 "

The aggregate shows under Hoffman's control in these 20 months ..... 3753 doz.

3. Deduct from the above amount used as per estimate of Matthews, Miller and Andrus. 1246⅓ "

2506⅓ "

4. Deduct also amount on hand at end of Hoffman's service ..... 750 doz.

and it leaves unaccounted for when Hoffman was discharged ..... 1756⅔ "

This leather cost the Book Concern.....$26,353.57

To this, add amount paid for "shaving and finishing," 1,816.15

$28,169.72

The above details, I accompanied with the number of each voucher, from whom purchased, and the cost of the different classes of leather purchased. The purchases were made from L. T. Lutkins, Campbell & Armstrong, Griffin & Sons, and "Wm. Black," if there was such a person. As I failed to find him, or to learn any thing about him, I doubted his existence as a dealer in leather. He may have been another "George Wilson," or "Abram Nelson," to be named further on in this narrative, who sold leather furnished by Hoffman. The other was H. Roys, one of Hoffman's especial favorites, who did all his "shaving" and "finishing," and sold him "Crust Sheep," "Skins in Salt," and the like. At least the Book Concern paid for such, the bills being in Roys' name. If the bills for these purchases from the above named dealers cannot be found in the Book Concern, I can furnish copies of them all which can be verified by reference to the cash book of the House. I copied them to be ready for any emergency because I discovered that important papers were being spirited away.

WHAT BECAME OF THE UNACCOUNTED FOR LEATHER?

My next effort was to ascertain what became of the Seventeen Hundred and Fifty-six Dozens. Upon examination I found that some of the vouchers were duplicates, and that the House had paid twice for the same article. Thus much paid for was never received. Upon further inquiry, I ascertained that Hoffman had been in the practice of sending from the House large quantities of leather that were not returned.

By Mr. Andrus I was informed that Hoffman many times had sent from the Book Concern large quantities of morocco, calf and sheep-skins, for which no account was rendered. He specified 141 dozens of sheep-skins that had been sent away the previous Spring, about March, 1868, some three months before I became one of the Agents. The facts in this case were very specific. By Hoffman's order, Mr. Andrus and one of the porters counted the skins. Hoffman then sent the porter to the store of H. Roys, to say to him "send for the skins immediately." Roys being absent, his salesman and book-keeper, Mr. Jones, sent for and received them, and the Book Concern received no credit for them on Roys' books. The same day Mr. Jones stated that Roys sold 120 dozens of the skins to the respectable house of Messrs. Hurd & Houghton, New York. I called on that firm and they corroborated Mr. Jones' statement. So confident

was Mr. Jones that there was something wrong in this affair, that he made a note of it, and when the Book Concern frauds got into the newspapers he gave that note to me, and I gave it to the Book Committee, and it is now, or ought to be, among the papers of the Committee, if they are in existence. Mr. Jones testified before the Book Committee to the above facts. He also testified that Hoffman, during the previous winter, had sent to Roys' store at one time fifty dozens of morocco, at another time forty dozens, and at another time sixty dozens, for which the Book Concern received no credit on Roys' books. Mr. Jones further stated to the Committee, that he was willing to make oath to the above facts. When Mr. Andrus testified before the Book Committee to his personal knowledge of the above counting and sending away of the leather, he was asked why he did not report it to the Agents. He replied, "the sending away of leather and other articles by Mr. Hoffman was a frequent occurrence, and he [Hoffman] was a man of power in the Concern, and a word from me about Mr. Hoffman would have led to my discharge." The horrible experience through which I was forced to pass demonstrated that Mr. Andrus judged correctly.

In regard to the one hundred and forty-one dozens of sheep-skins, Hoffman told three different stories. To Dr. Carlton and myself he said, "they were sent to Newark, N. J., to be shaved," and that they had been "sent back at

different times." I asked him if he had any record in his books of sending them and of their return? He replied, "I made a note of it on a slip of paper which I destroyed." I asked him if he destroyed the slip of paper "at different times?" He could not remember! When he appeared before the Sub-committee and was asked by Dr. Pike, why the Book Concern had no bill for shaving them, he said, "his friend Roys shaved them for nothing." Several weeks after he said to the whole Committee, he supposed Roys charged for the shaving of them with other stock.

The Advocate-Supplement attempted to explain the above matter thus:

> Hoffman's explanation of the case is that he found the skins too thick for his work, and therefore sent them away to be shaved. The person receiving them at once informed him that he had in his store just such skins as he (Hoffman) desired, and that he would exchange those thinner skins for Hoffman's thicker, and save expense of shaving the latter. That offer was accepted, and the skins were brought to the Book Concern, and as there was no expense on either side, no charge of the transaction was made. The explanation meets all the requirements of the case, and gives significance to all the facts proved; and as there was no proof of loss, the Committee dismissed the case as proving nothing.

One statement in the above is true. "The Committee dismissed the case." Yes, "dismissed the case," notwithstanding the contradictory statements of Hoffman, and the positive knowledge of those who testified to the facts. So it

was all through the monstrous investigation of the Committee, especially at their second meeting. One of the Committee, Rev. Geo. W. Woodruff, went so far as to declare that "there might have been 139, or 140 dozens, in that case the charge of fraud is not proved."

It is remarkable that Hoffman through several years should have purchased large quantities of leather that required to be "shaved" or "finished." It would be interesting to know what the first cost of the unshaved and unfinished leather was, so that by adding the cost of "shaving," and "finishing" we could learn the net cost per dozen to the Book Concern. But of these important matters no record was made!

The following samples of bills, out of many others, will show the absolute recklessness practiced in the payment of bills. I give the number of voucher, date and name of the dealer, so that the statements can be verified by reference to the originals or to the cash book:

Voucher No. 38. 1868.
Carlton and Porter, to H. Roys:
Seventy dozens shaved and put out.....$78.75
[Put out where? They were never put in the Book Concern.]

Voucher No. 77. 1868.
Carlton and Lanahan, to H. Roys:
For finishing 83 dozens.....$332.00

Voucher No. 85. 1868.
Carlton and Lanahan, to H. Roys:
For finishing 92 dozens.....$506.00

Voucher No. 103. 1868.
Carlton and Lanahan, to H. Roys:
Shaving and finishing 100 dozens.....$525.00

Voucher No. 23. 1869.
Carlton and Lanahan:
For finishing 60 dozens.....$180.00

Voucher No. 40. 1869.
Carlton and Lanahan, to H. Roys:
Finishing 40 dozens.....$194.40

Add to the above the 141 dozens which the Supplement said "were too thick for Hoffman's work," and we have nearly seven hundred dozens of skins that had to be "shaved and finished" after they had been purchased—all in less than one year! A tyro in business ought to have known that all such bills were fabrications. However, the cashier paid them! But what of the following:

Voucher No. 16. Jan. 18, 1864.
Carlton and Porter, bought of H. Roys:
Eighty-five dozens Crust sheep, at $7.20.....$612.00

My note on this bill, made at the time I copied it is "a hard looking bill, evidently written and endorsed by Hoffman or one of his confederates." I asked book-binders to explain "crust sheep." They smiled and said it was beyond their knowledge. But what of the following:

Voucher No. 121. 1868.
Carlton and Lanahan, to H. Roys:
For 78 dozens skins in salt.....$546.00

Voucher No. 13. 1869.
Carlton and Lanahan, to H. Roys:
For 67 dozen skins in salt.....$502.00

Only to corroborate what I knew, I inquired of book-binders, what was meant by "skins in salt." They stated that manufacturers of leather sometimes put raw skins in salt to keep them from spoiling until they were ready to put them through the regular process of tanning. One master book-binder of forty-years' experience gave me the following in writing: "Skins in salt means that after the wool is taken off, skins are salted down to keep them from spoiling." So far as I knew, the Book Concern did not keep a tannery.

I could fill pages with copies of such fraudulent bills. The practice was to pay any and every kind of bills endorsed by Hoffman, even though written and endorsed by himself, or by one of his several confederates. If he had endorsed a bill for a hide on an animal's back, I see no reason why it might not have been paid with others.

After quoting the following from my report to the Book Committee: "Large amounts of skins in salt were paid for, but never used in the Bindery," the Advocate-Supplement said: "The evidence offered upon the charge was deemed by the Committee entirely insufficient to prove anything. There was no attempt made to prove that such skins had been sold from the Book Concern."

Well, among the multitude of falsehoods crowded into that Supplement, the above short sentence is literally true. "No attempt was

made" because "the skins in salt" were never sent to the Book Concern. If they had been, they would have attracted the attention of everybody in the Concern, and if kept there long out of salt, they would have become as rotten as had been the management of the Concern for more than twelve years.

Continuing my investigation of Hoffman's thefts, I learned that forty dozens of morocco had been, a few weeks before, exposed for sale in a tin store, No. 295½ Pearl Street, by a young man named Abram M. Nelson. I traced the sale of the leather by Nelson to the respectable firm of Messrs. Rockwell & Co., who promptly gave me Nelson's bill and receipt for the money they paid him. I gave the bill to the Book Committee. The following is a copy:

New York, October 22, 1869.

Messrs. Rockwell & Co.:

Bought of A. Nelson, Metal, Tin and Lead, 295½ Pearl Street.

15 dozens large skins, at $25.00		$375.00
19 " small skins, at 23.00		437.00
6 " inferior skins, at 14.00		84.00
		$896.00
Less error on 19 dozens, at $1.00 per dozen		19.00
		$877.00
Less 2 per cent		17.54
		$859.46

Received payment, A. NELSON.

Nelson sacrificed the leather because he learned that the theft was known.

I showed the above receipted bill to Dr. Carlton and gave him an account of all the facts I had gotten and requested him to say nothing about it as I expected to gather additional facts in regard to Hoffman's robberies. Greatly to my surprise, I learned the next day that Hoffman was informed of my investigation and discovery.

Up to that time, strange as Dr. Carlton's conduct had been, I had not suspected him of great wrong, but now I felt confident that he had informed Hoffman, and in the presence of Rev. James Pike and two other members of the Book Committee, I charged him with it. He denied having done so; I insisted that he had as I had not spoken of it to any other person. He still persisted in his denial and I persisted in reaffirming my belief. He at last said: "I met Mr. Hoffman on the street." I felt so confident that there had been a special meeting between them that I replied: "You did not meet him on the street." No doubt suspecting that I possessed more information than I really had, he then said: "I met him at Cortlandt Street Ferry." I then said: "Yes, at Cortlandt Street Ferry—you going to your home in Elizabeth, New Jersey, and Hoffman coming from his home in Brooklyn several miles in an opposite direction to meet you; I charge you with collusion." After an interchange of similar assertions by me and denials by him, the conversation ended and I saw plainly that I had a more important person than Hoffman to contend with. Within an hour or two after this

sharp interview, Dr. Carlton kindly invited me to go out to a lunch-room and dine with him. I declined the invitation; my thoughts were on more important matters than dining.

Pursuing yet further my investigations, I received the following letter which made transparent Hoffman's theft of the forty dozen of morocco:

New York, November 1, 1869.

Mr. J. Lanahan:

Dear Sir.—Late in October or early in November, 1868, a party named Nelson called upon me and wished to sell a quantity of leather. To my inquiries as to the kind of leather, he replied that he did not know what it was except that it was for book-binders' use. I called, in accordance with his wish, at No. 295½ Pearl Street. It is a store where tin and lead are sold. The leather was lying covered up on the floor at the back of the store. I examined it, and saw at once that it was morocco of the finest brand that comes to this market. As I was almost the only importer of it, my curiosity was excited, and I walked forward to him and asked various questions in relation to it—whose it was—where it came from—why it was exposed for sale in a tin-store? and so on. To all of which questions he gave only the general answer, that it was his—he bought it of a friend—he did not know where it came from. I then re-examined the leather, and, accidentally overturning a bunch, saw my own private mark extending over a foot of space of every one of them—thus, 18-4-16, meaning thirty-four and 50-100, the two outsides being dollars, and the centre (4) meaning shillings. Upon this I immediately spoke to him again, and told him he would certainly get into trouble by selling that morocco, as I was certain, from seeing my private mark upon it, that it was on the market wrongfully. He said he knew nothing about that; he had bought it, and paid $30 per dozen for it, and he was going to sell it. He added he knew it was worth that, for he had had 40 dozen of it before, and could get 40 dozen more; but, if there was going to be trouble, he would rather sell

it at cost, and have done with it. I then left him. From circumstances of a domestic nature, I was able to fix the exact date of the importation of that morocco; and upon going back to the store, I saw at once it was one of two lots sold to the M. B. C. and the A. B. S. at the same time. I knew it was not the A. B. S. stock, and from various things that had come to me from different sources, I was certain that it came from the M. B. C.

I thought it was my plain duty to go to Mr. Hoffman without any fuss, and tell him that his stock was on the market. I did so, or rather I told him that a case of morocco was exposed for sale in Pearl Street in a tin-store. He asked how that interested him. None, I said, only it is a case of morocco that I sold you, and I presumed it was sold by him (H.) from not wanting it, or it was stolen by some one from his place, and sold by them. To which he replied that it was not possible for any one to steal that amount of leather, and he had not sold or bought any leather since the last bill he had made with me, then about a year. I said, you compel me to remind you that this is a dead positive thing that I sold you this leather, and that it is now on sale in a tin-shop; now, Mr. Hoffman, what is my duty in the matter—what would you do if you were in my place? To which he replied, "I might do as I pleased. If you ask me, I will tell you plainly I'd mind my own business!" to which peremptory recommendation I hastened to comply.

T. L. LUTKINS.

Mr. Lutkins stated to the Book Committee that the Book Concern paid him forty dollars per dozen for this morocco, the whole amounting to $1,600. I put this case in the hands of Mr. John A. Kennedy, Superintendent of Metropolitan Police, who had the young man Nelson brought to his office. Mr. Kennedy gave me the following as the result of his investigation;

Office of Supt. of Metropolitan Police,
300 Mulberry Street. New York, Oct. 27, 1869.

Rev. J. Lanahan:

Dear Sir.—That you may be fully apprised of all that took place in my conferences with Abram M. Nelson, I submit a statement of the purport, omitting the questions propounded by myself, except where necessary.

Yours truly, J. A. KENNEDY, Supt.

New York, October 19, 1869.

Detective Bennett having introduced Mr. Nelson, to questions put, he replied in substance, as follows: He is a clerk of his father, A. Nelson, Metal Broker, 295½ Pearl Street, New York. He sometimes does a little speculating on his own account. About a year ago, he operated in a lot of morocco. He does not know how much there was in the lot, nor how much he paid for it. He bought it from a man named Geo. Wilson. He had no bill for the morocco, nor did he take any receipt for the money. He sold the lot to Rockwell & Co., but he does not know how much he sold it for. He cannot remember how much he received a dozen, nor the aggregate amount of the bill. He keeps no books nor accounts of his own transactions. He only remembers that he made about two dollars per dozen profit, without remembering what it amounted to. Nelson then spoke of having a defective memory. He does not know where George Wilson lives. Did not know when he bought the morocco from him. He does not know how, nor when, nor where he became acquainted with Wilson. He may have met him at Fifth Ave. Hotel, where he was frequently introduced to strangers. Does not know who introduced him. Did not know anything about leather. Went into it as a venture. Before selling it to Rockwell he had offered it to Lutkins, who on examining it, said he had sold it to the Methodist Book Concern. That he knew it by a private mark it bore. Mr. Lutkins was very anxious to know from whom it was gotten. He (Nelson), refused to tell him, and may or may not have said that he had had some of the same sort before, and that he could get more, but that he never had had any of it before. He does not know where George Wilson lives. He has understood that he went to Europe. He does not know Wilson by any other name than George Wilson. He never heard him called George

P. Wilson. During the interview, Mr. George P. Wilson, formerly in the employ of the Book Concern, in the bindery, was introduced into the room. Nelson was asked whether he knew him. He said he had never seen him before. That he was not the person who sold him the morocco. The person before him was not at all like George Wilson.

J. A. KENNEDY, Supt. Police.

This in the presence of J. Lanahan, Jas. Bennett, Geo. P. Wilson, J. A. Kennedy, Supt.

I was present at the above examination without the knowledge of Nelson. A defective memory is apparently a common infirmity of thieves and other criminals. The following shows, however, that Nelson's memory was susceptible to some improvement:

Office of Metropolitan Police,
300 Mulberry St.

New York, October 20, 1869.

Rev. J. Lanahan:

Dear Sir.—Mr. Nelson called at this office alone, about 4 P M., and without waiting for any questions to be put or any remark to be made relative to the morocco business, said, he had been thinking of that matter ever since he was here yesterday, and remembered now distinctly of having bought a lot of the same sort of morocco from the man who called himself George Wilson, before he sold the lot to Mr. Rockwell.

J. A. KENNEDY, Supt. Police.

This voluntary return of Nelson to the Police Office to retract his denial of the previous day and acknowledge that he had before had some of the same kind of morocco, was no doubt by the advice of Hoffman, who apprehended that the fact was known, or that I would find it out.

FRAUDS IN BINDERS' CLOTH.

For the purpose of ascertaining the extent of Hoffman's frauds in the above article, I adopted the same method as that in regard to the matter of leather. The result showed that in the eighteen months above specified, about two hundred pieces were unaccounted for, costing from $7.00 to $9.00 per piece.

FRAUDS IN PAYMENT OF WAGES.

The wages in the bindery were paid every two weeks, averaging $1,833.40 every pay day, and $47,668.39 per year. Hoffman drew the amount from the cashier upon an order like this: "Due for Bindery purposes, H. R. H." My examination disclosed more than 200 frauds in the payments in four months. His method was this: If the wages of a woman in the folding room were $10.10, he would enter the amount in the wages book $12.10, always adding $2, leaving the cents according to the face of the bill. This was made plain by comparing the book kept by the head of the folding room with Hoffman's wages book. Names of persons too were kept on the wages book who were not employed in the house. Some of the men employed testified before the committee that when they signed the wages book, Hoffman kept a blotter over the column containing the amount paid, and frequently said he would enter the amount himself. There are those now employed in that department of the Book

Concern who will verify these statements. They were of common talk among the employees, some of whom kept books of their own, which were presented before the Book Committee; among them, I recall the name of Elijah Myers, who may yet be there, if not, there are others who know all about it, and will so state if questioned. Mr. Myers presented a book in which he kept his own receipt of wages, but the Committee ruled it out. The agents exercised no oversight in person, or by others, in the payment of wages. Hoffman stated the amount required, received it from the Cashier and he alone distributed it.

FRAUDS IN INVENTORIES.

For brevity I arrange them in the form of statements.

Statement I. In the year 1868, Hoffman used $43,202.06 of stock in turning out $98,961.18 of work. In two years, 1870 and 1871, the present Superintendent of the Bindery, Mr. W. T. Andrus, used $42,546.15 of stock in turning out $170,186.18 of work. I gave the Committee as proof (1st) transcripts from the account books of the Concern, showing the amount of money paid in all those years for stock for the bindery and, (2nd) tabulated statements showing the numbers, sizes, and styles of the books bound during the two periods. In the years 1870-1871, 339,682 more books were bound, under the administration of Mr. Andrus, than in 1868, yet less stock was used in these two years than Hoffman used

in one. Under Hoffman during those years there was no material change in the price of stock, as proved by written statements of dealers, and the work turned out in these years was uniform in kind.

Statement II. That the bindery inventories and account books contained false entries as appears from the following items.

Item 1. To the bindery inventory of sheet-stock for 1856 was added $12,000 in lump in these words and figures: "Add 12 per cent. on $100,000 for increased cost of printing, $12,000," whereas the whole amount of the sheet-stock, or printed matter, for that year, as per inventory, was only $83,923.56.

In 1857, the valuation of sheet-stock was very largely and fictitiously increased in detail in the inventory, notwithstanding which "12 per cent. on $100,000 for increased cost of printing," was again added, whereas the actual amount of sheet-stock as shown by the inventory was only $84,354.69.

The same amount, $12,000, was again added to the inventory of 1858 "for increased cost of printing," whereas the actual amount of sheet-stock as shown by the inventory, was only $70,969.79.

Thus in three years 12 per cent. was added on $57,748.79 worth of sheet-stock more than the Concern possessed, or than was shown by the inventories. The inventories are yet in the Book Concern, and the correctness of these statements easily can be verified.

It may be appropriately asked, what the bindery had to do with the "increased cost of printing"? That had been fixed by the printing department. Not only so, but much of the sheet-stock of one year was of course carried into the inventory of the succeeding year. Thus "12 per cent." was duplicated on the same article.

Item 2. In the bindery store account book of 1857 to 1862, inclusive, (which is a record of work turned out in that department) the footings of one year are carried into the footings of the succeeding year in numerous instances, and thus counted several times. The bindery store account book is, of course, still on hand in the Book Concern and any person who may desire to verify this statement I refer to said book, pages 2, 28, 49, 116, 236, 276, 282, 300, 304, 332, 342, 410. Was that "mismanagement," or fraud, or what?

Item 3. In the same book, although the work turned out in 1862, is entered in detail, aggregating several thousand items, no extensions, or footings, of the cost of the work are made for six months of the year, thus the value of the work turned out could only be guessed. I refer to this as proof of the most criminal mismanagement.

Fully to appreciate it the book need only be seen. I had the extensions carried out and the footing made as far as it was possible, and the showing of work turned out for that year was only $40,379.00 while the same book showed, in the succeeding year, 1863, that the work turned out was $177,681.86. Yet the work for the year

1863 was entered in the ledger of the Agents' office, $185,421.59, a difference of $7,730.93.

Item 4. The inventory of the bindery for November 30th, 1864, is entered in the ledger as $161,641.08, and upon that basis a profit is shown of $18,641.08 in that department. The inventory itself (which is the original record from which the entry should have been made) shows the amount to be $138,908.39. The entry in the ledger is a false entry. Had the correct amount, $138,478.19, been entered in the ledger, it would have shown a loss in the bindery of $4,254.50. The manifest object of the false entry in the ledger was to conceal this loss of $4,254.50, and force an apparent profit of $18,908.39.

Referring to the above, Dr. Carlton's expert accountant, Mr. John A. Gunn, in his elaborate report, page 33, says:

> Dr. Lanahan has denominated the entry of $161,641.08 to the credit of "Bindery" a "false entry," claiming that as, if the smaller amount ($138,478.19) had been placed to its credit, it would have shown a loss of $4,254.50, the Inventory was first increased by the addition of this amount in order to show on the Books a profit of $18,908.39, and then, after the Books were closed, in order to show a less amount of assets, reduced again by its subtraction to the amount stated in the Exhibit.
>
> What the fact was, cannot be determined from the Books, as there is no explanation of the reduction, the leaf of the inventory Book upon which the figures relating to it would have been found having been cut out, but taking that view of the change of Inventory in 1864 in connection with the fact that in the following year (1865) the addition of 25 per cent. on $117,529.55, viz., $29,382.39, to the account of "Work" in the Bindery, caused the account in that year

to show a profit of $7,024.12, instead of a loss of $22,358.27, the changes of the two years may be thus stated:

Losses 1864, ...	$ 4,254.50	
" 1865, ...	22,358.27	
		$26,612.77
Apparent Profits after the chgs., 1864,	18,908.39	
1865,	7,024.12	
		25,932.51
		$52,545.28
Increase of Inventory in 1864,	$23,162.89	
Increase of Work in 1865.....	29,382.39	
	$52,545.28	

And it is a singular fact that while the footing of the "Work" in 1865 is $118,527.55, twenty-five per cent. on which would be $29,631.88, there was added 25 per cent. on $117,529.55, which is the required amount.

The explanation as to the cut out leaf is, that my examination preceded Mr. Gunn's and was made before the leaf was cut out. The cutting out of leaves and making erasures in the books was commenced when it was seen that I was having important records and papers copied. The frequent disappearance of vouchers, and making erasures in the books, caused me to apprehend the disappearance of many important records. My accountant numbered about two hundred erasures in the books.

Mr. Gunn specifies another remarkable case in 1861, and says:

The balance (of amounts due on periodical accounts) of this account had been from 1850 to 1860 exactly $10,000,

and with this balance the account for 1861 was closed, with the debit "To profit and loss $75,009.56," and correctly footed. Subsequently "$10,964.00" was interlined, but the footings remain unchanged; the same amount is interlined in the profit and loss account, and the balance of the periodical account, carried forward to 1862, is $20,964. The book in which should be found the original entry is said to be lost.

It was easy to lose an account book in those days!

Item 5. The bindery store-account book (so called) shows in the final footing of work turned out for 1865, $117,547.55, to which was appended the following note: "Add 25 per cent. for increased cost of labor, etc," thus arbitrarily increasing the amount of work for the year to $147,909.94. The stock was paid for when purchased, the cost of labor was paid every two weeks, and both were included in the price charged for binding. The evident object of this addition of $29,382.39 was to force an apparent profit of $7,024.12, and conceal a loss of $22,358.27, as shown above by Mr. Gunn.

Item 6. The bindery store-account book shows that the amount of work turned out in the year 1866, was $147,073.03. From this amount 12½ per cent., making $18,304.12 was deducted. But while this sum was deducted from the amount of work turned out in the bindery, $12,808.36 was added to the bindery inventory for "increased cost of material and labor," and $6,900 was added to the two inventories of bound books in the store, "for increased cost of labor and material,"

making an aggregate addition of $19,708.36. These deductions and additions were used to conceal legitimate results. They were frauds.

Item 7. In the bindery store-account book, before the final footings for the year 1868 were made up, the following item was appended: "Binding, Dec. 1st, 1867, $13,540.52." With this addition the showing of work turned out in 1868 was $90,961.78. By referring to the account of work turned out for 1867, I found that the $13,540.52 was actually counted twice; not only so, but the footing of the work book is only $24,009.04. It should be $44,009.04—that looks like "mismanagement." The inventories and store-account book above referred to are large well-bound volumes and permanent records, and any person sufficiently interested in this narrative can easily test the correctness of my statements.

Item 8. That after Hoffman was discharged no record, nor invoice, or receipt book, for the bindery was found to show that goods purchased were received. He himself stated that there was no such record, when examined before the Subcommittee. Properly to keep the bindery account without an invoice book was absolutely impossible. I offered to call before the Committee an employee of the bindery who was ready to testify that he had seen Hoffman destroying account books and vouchers the day before he left the house, but my offer was not accepted.

Such in part was the condition of things in the bindery, and in the inventories in the Agents' office.

It is proper to state, that during those troubles reports were spread abroad that the workmen were several times on the point of rebellion against my administration of the affairs of the manufacturing departments. All such reports were without a shadow of foundation. Excepting Goodenough, Hoffman, and one other employe, my relations to them all were entirely pleasant. When they learned that I was investigating, they were prompt to communicate matters of which they had personal knowledge. Having received assurances from me that come what might, I would protect them, they visited my residence at night to tell what they had long known. To them I was indebted for much of the success of my investigations.

After Mr. W. T. Andrus was appointed superintendent of the bindery, Dr. Carlton said to me that we ought to have a Methodist in that position and stated that Mr. Andrus was a Baptist. I replied that if Mr. Andrus had been fit to serve under Hoffman—who was of no church—nearly ten years, we ought to keep him, especially as he had helped to unearth Hoffman's frauds. I then notified him that I would resist to the last extremity the removal of Mr. Andrus. He was retained and is there yet.

REPORT OF SUB-COMMITTEE.

Nov. 4, 1869.

To the Chairman and members of the Book Committee:

The undersigned Sub-committee appointed to examine the accounts of the Book Concern at New York respectfully report, that we have examined somewhat minutely the accounts of the Bindery and Printing departments, covering the period which has elapsed since the last General Conference, and have also given such attention to the other accounts of the Agents as our time would allow, with the following result:

1. There were found several entries in the petty cash book for which no vouchers could be found (see Exhibit marked "one"). [This exhibit I did not find when I copied the Committee's records. J. L.]

2. The vouchers of the printing department were not original bills, but only monthly statements (so called). We asked for the original bills but they could not be furnished.

3. Several bills for merchandise bought for the bindery were incorrectly cast. The fact that bills were paid before they were known to be correct led your Committee to inquire whose duty it was under the requirements of the Agents, to carefully examine and check each and every invoice of goods purchased and received by the Book Concern, and to certify to their correctness before the cashier should be at liberty to pay

them, and we found that nothing of the kind was done at all, unless done by the head of the department that made the purchases. But the head of the bindery department where these errors were found, not unfrequently certified bills without examining them at all, and they were paid by the cashier without having been examined by anybody else. See exhibit No. 2, as follows. [I give the exhibits as they are referred to, to make a continuous statement. J. L.]

"Exhibit 2," bills in which errors have been found:

Voucher No. 64.	Jan. 13, 1868.
Campbell and Armstrong	$1,020.00
Over paid	10.00
Should have been paid	$1,010.00
Campbell and Armstrong, July 17, 1868	$953.25
Over paid	2.50
Should have been paid	$950.75
Merritt and Draper, Dec. 4, 186— (no year given)	$264.08
Over paid	82.82
Should have been paid	$181.26
Armstrong, June 30, 1868	$1,070.78
Over paid	630.00
Should have been paid	$440.78

4. Examination of the "Wages Book" (so called) of the bindery department revealed the fact that sums of money amounting, since the last General Conference, (a little more than one year) to more than nine hundred dollars have

been drawn by the superintendent under the head of "Miscellaneous Articles," for which no vouchers were rendered, and concerning which no satisfactory explanation could be given to your Committee.

5. The accounts of the Agents give no satisfactory idea of the amount allowed the head of this department as compensation for his services. The fact that when he was superseded, his salary was overdrawn more than five hundred dollars, led your Committee to examine minutely respecting his salary, with the following result; that is, we found that in the year 1864, his salary was raised from 1,600 to 2,000 dollars. Upon this basis he was settled with in September last. This 2,000 dollars we supposed constituted his compensation for services, until an examination of the wages book of his department showed us that he had drawn since the last General Conference, on each of three several occasions, two hundred dollars as additional salary. On inquiry, we learned that he had done this for several years in pursuance of an agreement with the Agents by which his compensation should be increased two hundred dollars a year, but it was not to appear on the books as part of his salary. We subsequently found that these items did not cover the whole of the amount allowed Mr. Hoffman as compensation, but that the "gold-sweepings" had been given to him for several years. A careful examination of these gold-sweepings made it clear to your Committee, that for six

and a half years their value could not have been less than sixteen hundred dollars per year, which amount being added to twenty-two hundred dollars, made thirty-eight hundred dollars as the compensation of Mr. Hoffman for his services, without including what was drawn under the head of "Miscellaneous Articles." Your Committee have learned that other employees of the Concern are allowed perquisites by the Agents, but whether on a scale of such magnificent liberality as in the above cited case, our researches do not enable us to determine. (See exhibit marked "three"). [I did not find this exhibit among the papers of the Committee. J. L.]

6. Your Committee find nothing in the accounts of the Agents to show that the quality and quantity of the goods received, corresponded with the quality and quantity of the goods bought. Indeed there was nothing to show that the goods bought were ever received at all.

In view of this utter want of any system of check to prevent and expose fraud, and knowing that painful apprehensions existed in some minds that the opportunity for fraud had not been unimproved, the Committee felt called upon to determine, if possible, whether or not frauds had been committed upon the Book Concern, in connection with the bindery department, and as the result of our careful investigations, we are now prepared to show a deficit in the article of leather alone, since December 1st, 1867, of not less than 1,400 dozens, which cost the Concern not less

than $20,000. The process of calculation by which this deficit was discovered will appear by an examination of a document herewith presented. (Exhibit No. 4.)

Exhibit of leather in the Methodist Book Concern. Leather on hand Dec. 1, 1867 (end of fiscal year) as per inventory.

Morocco,	414	dozens,	cost.....	$10,748.00
Skivers,	458	"	"	4,726.00
Sheep,	214	"	"	2,406.00
Calf,	9	"	"	375.00
	1095			$18.255.00

Leather bought from Dec. 1, 1867, to Sept. 1, 1869, (19 months).

Morocco,	630	dozens,	cost.....	$15,491.70
Skivers,	869	"	"	8,463.89
Sheep,	1076	"	"	10,931.05
Calf,	19	"	"	800.00
	2594			$35,686.64

Leather used from Dec. 1, 1867, to Sept. 1, 1869.

Morocco	292	dozens.
Skivers	728	"
Sheep	488	"
Calf	12	"
	1520	

Leather on hand Sept. 1, 1869, as per inventory (count).

Morocco	259	dozens.
Skivers	397	"
Sheep	79	"
Calf	16	"
	751	"

Add leather on hand Dec. 1, 1867, to leather bought from Dec. 1, 1867, to Sept. 1, 1869, and we have.

Morocco	1044	Dozens.
Skivers	1327	"
Sheep	1290	"
Calf	28	"
	3689	"

Add amount used to amount on hand Sept. 1, 1869, giving,

Morocco	551	dozens.
Skivers	1126	"
Sheep	567	"
Calf	28	"
	2272	

Deduct 2,272 from 3,689=1,417 as the amount unaccounted for as follows:

Morocco	493	dozens	worth	$12,400.00
Skivers	201	"	"	2,000.00
Sheep	723	"	"	6,600.00
	1417			$21,000.00

JAMES PIKE, Chairman.
G. W. MALTBY,
JAS. ERWIN.

The "worth," or cost of the above leather was gotten from the bills paid. The "amount used" was the estimate of master-binders employed by the Committee who were furnished the patterns from which we cut, and average size skins; the number and sizes of the books bound and the different kinds of leather used, all of which accompanied the above report, and the particulars of these matters were explained to the Book Committee by Dr. Pike. My examination, extending through several weeks, was more exact than the Sub-committee's, as I had more time to devote to it.

FROM PRIVACY TO PUBLICITY.

My investigations resulting in the discovery of most of the above facts, had been conducted so quietly through the several months already specified that nothing was known of the matter outside of the Book Concern, except to a very few confidential ministerial friends until after the discharge of the offending employees, although the pastors of New York and vicinity met there every Monday in "Preachers' Meeting." The cause of the discharge of Goodenough and Hoffman then began to be talked of freely, and on the 21st of Sept., 1869, the following headed "A Painful Revelation" appeared in the New York *Times*:

It is with great reluctance that we give currency to a very unpleasant report which has reached us in regard to an institution which of all others in the land ought to be beyond reproach, or even suspicion. The authority, however, for what we are about to announce is of such a character that silence on our part would, under the circumstances, amount to delinquency. We are credibly assured that the new Agent of the Methodist Book Concern, Rev. Dr. Lanahan, has discovered in that establishment great corruption and fraud, involving losses to the amount of several hundred thousand dollars.

The subject, we understand, is now undergoing investigation, and as soon as the details can be given to the public without prejudice to any but culpable parties, we shall endeavor to furnish them.

These frauds, it is said, have been going on for some eight or nine years, and of course their full extent is not

yet ascertained with precision. The magnitude of the business transacted by this Concern, and the reputation which it has enjoyed for probity in its management, conspire to give to any suspicion against it a painful importance. It is only six months since we had the satisfaction of saying of this institution, in the columns of the Times, "that it should be recorded, to the honor of all concerned, that not a dollar has ever been lost by the defalcation of its managers from the commencement of its business" in 1789. Unfortunately that cannot be said of the Methodist Book Concern any more.

With a note of introduction from Rev. Dr. John McClintock, to Mr. J. Biglow, editor of *The Times,* I called on that gentleman and expressed regret at the appearance of the article, and stated that the frauds were confined to employees and that they did not in any way impair the financial condition of the house. At that time I did not suppose that my colleague was personally involved, strange as his conduct had been. The next day the following appeared in the *Times*:

[From the New York Times, September 23, 1869.]

Inquiries at The Methodist Book Concern, in relation to the mismanagement of its affairs, disclose the fact that the frauds to which we alluded in Tuesday's Times were confined to employes of the institution, and in no respect compromise its heads.

The amount, as we have already stated, is not yet—perhaps may never be—fully ascertained; but that it has been large, and that the abstractions had continued through a series of years, is conceded.

We presume the Committee will direct an examination of the situation, if they have not already instituted one, which will be in due time submitted to the public.

We are happy to learn that the financial condition of the institution is not in the least affected by these losses, they having been distributed through a series of years.

The article in the *Times* produced much excitement in Methodist circles, and the editor of the Christian Advocate, Dr. Daniel Curry, who from the beginning had known of my investigations and zealously encouraged me in them, now urged me to unite with my colleague in a published card denying that there had been any frauds. Dr. Carlton also insisted that we ought to publish such denial. I expressed willingness to unite with him in a card saying that the frauds were confined to certain employees. Finally he requested me to unite with him in the following, to be published in the Northern Christian Advocate:

New York, Sept. 23, 1869.

Rev. Dr. Lore, Editor:—Say to your readers that the article in the New York Times of Sept. 21st, headed "A Painful Revelation" is a gross falsehood and slander, so far as it reflects upon the integrity of either, or both the undersigned.

I added the following: "It is, however, proper to say that frauds have been committed by certain late employees, but they have not in any way impaired the financial integrity of the Book Concern."

Dr. Carlton refused to sign the card as thus amended, and said: "It would be wrong thus to give publicity to the matter." I replied, "it is already public, and a denial will only increase the excitement." He then brought Mr. E. L. Fancher, who became so insulting because I would not sign a card of unqualified denial of

fraud, written by himself, that I retired from my desk and left him sitting there. This I did to avoid being misrepresented by him.

To allay the general excitement and clamor raised against me for refusing to make a public denial that any frauds had been committed, I put the following in the hands of the editor of the Christian Advocate for publication:

New York, Sept. 24, 1869.

Dr. Curry:—I address you this note to say that I am ready and willing to sign any truthful statement in regard to the frauds perpetrated by certain late employees of the Book Concern. Yours truly,

J. LANAHAN.

He refused to publish it, but continued to complain that I would not deny the existence of frauds, and, as will be seen, my refusal was ultimately made the ground of one of the charges preferred against me by a set of men three-fourths of whom were entire strangers to me.

5. I may here state that neither directly, nor indirectly, in person, by third person, by writing, by message, or messenger, nor in any other way did I communicate the information upon which the article in the *Times* was based, nor at any time during the controversy did I communicate anything to the secular press. The removal of the defrauders broke the silence of many who had known of the frauds, especially among the workmen employed in the Concern, who now felt free to voice what they had long known and actually witnessed. I state these facts because the Chris-

tian Advocate and the Book Committee made the impression upon the Church, that as soon as I discovered the frauds, I almost proclaimed them as from the house top. Directly the reverse was true. The publication in the *Times* greatly interrupted my investigations. With equal particularity and emphasis I affirm that never throughout the whole controversy did I communicate anything to the secular press, though repeatedly charged with "inspiring" it.

FIRST MEETING OF THE BOOK COMMITTEE TO INVESTIGATE CHARGES.

THEIR REPORT.

The Committee met at 805 Broadway, New York, Nov. 4th, 1869, at nine o'clock A. M., to investigate the alleged frauds. Rev. B. F. Rawlings was elected Chairman and Rev. L. M. Vernon, Secretary. The Agents were requested to report. Dr. Carlton said he would be ready at the next session. I thereupon presented a detailed report of the frauds committed as related above. When I had finished reading my report, Rev. G. W. Woodruff exclaimed "The whole church owes you a debt of thanks." But, the very next day he acted toward me as if he thought the whole church owed me censure instead of thanks. It was apparent that, in the meantime, some mysterious influence had been at work. On his motion a committee was appointed to prepare rules for the government of the Committee. The promptness with which the rules were reported showed that they had been prepared before they were ordered. The following is the principal rule adopted:

At the request of any three members, the Committee shall go into executive session at which no person shall be present but the Committee and such persons as shall be

summoned at that particular session. As it is desirous that the business of the Committee shall be held confidential, no member shall communicate any of its proceedings without consent of the Committee.

This remarkable rule, adopted after the presentation of my report and that of the Sub-committee, foreshadowed much that followed. After its adoption, Dr. Carlton was again called on for a report. He responded by a verbal statement. The Committee then adopted the following:

Resolved, That Dr. Carlton be requested to make such statements, and to present such facts and evidence as he may please concerning the matters before the Committee, and that he call on such persons as may give the Committee facts in the case.

The above brought no response.

About this time S. J. Goodenough addressed several letters to the Committee, advising them how to proceed. He also wrote several abusive and threatening letters to me, to which I made no reply. I saw that a plot had been formed to get up a personal controversy. Rev. George W. Woodruff also became especially offensive to me personally. He asked me numerous questions, many of which had no relation to the matters treated in my report, nor before the Committee. His manner was tantalizing, but I answered his questions as well as I could, taking no notice of his offensive words and manner.

Finally he said, "I have one more question to ask; it is a very delicate question and I prefer not to ask it, but my duty requires that I ask it."

I urged him to ask his question and not continue to trifle with my feelings. He then said, "It is a very delicate question; I wish the Committee would order me to ask it." Dr. Slicer replied, "How can the Committee order a question when they do not know what it is?" Again I requested him to ask his "delicate question" and said "stop dragging your iron harrow over my feelings." In a dramatic way he turned about and pointing his finger at me said with much earnestness, "I notify you in advance that if you deny it, I will prove it."

Receiving no protection from the Chairman, who really seemed to be in sympathy with Mr. Woodruff, I expressed my estimate of his conduct, and disgusted with his words and behavior left the room and building, and made the above record. I had not said that I would resign, but a Committee of three was promptly appointed to call on me and ascertain whether I intended to return. I soon discovered that the affair was a plot to cause me to resign in disgust. I also learned that with the approval of some of the Committee, Dr. Carlton had already spoken to a person to take my place. Under the advice of friends, I determined to return to the Committee, and maintain my charges, regardless of any treatment I might receive. Bishop Janes appeared before the Committee, and Mr. Woodruff was made to see that he had over-acted, and presented a paper unsigned, of which the following is a copy:

Mr. President, I wish to say to the Committee that I was entirely misunderstood by Dr. Lanahan and the members of the Committee in the matter of my asking a question. I ought to have propounded my question without any accompanying remarks, and the reason I made the accompanying remarks was that I did not wish to take Dr. Lanahan by surprise. In this I was unfortunate, and so unfortunate that I do not wonder that Dr. Lanahan should have been offended, but I wish distinctly to declare that I had not the remotest intention to wound his feelings, or do the Committee wrong.

Did not wish to take me by surprise!

He never asked the "delicate question." This was the first out-cropping of much like it that followed in the numerous meetings of the Committee.

Although my report and that of the Sub-committee now had been in the hands of the Committee several days, and although Dr. Carlton had not made any report though twice requested, the Committee adopted the following:

Whereas, Dr. Lanahan, one of the Agents at New York, declared before this Committee that there had been fraud, theft, corruption and defalcation in the affairs of the Book Concern, therefore

Resolved, that we respectfully request Dr. Lanahan to present at the earliest possible time all the facts in his possession, by which the character and extent of the fraud, theft, corruption and defalcation can be determined and traced to the guilty parties.

And whereas, Rev. James Pike, Chairman of the Sub-committee appointed to inquire into the affairs of the New York Book Concern, has stated that he is prepared to show fraud and embezzlement in the New York Book Concern, therefore

Resolved, That Mr. Pike be requested to present at his earliest convenience, to this Committee, all the proofs of his statement.

Even at this early period it was made apparent that some of the Committee were being used. One object appeared to be to get up complications and create confusion. I had not used all the varied epithets contained in the above preamble, but I made no objection, because I was fully prepared to prove them all—every one of them. They wanted "all the facts in my possession." Did somebody fear that I had facts which applied higher than subordinates?

To the above I made the following reply:

Brethren:—Appointed by the General Conference to aid in the management of the Book Concern, I have felt it my duty to lay before you a number of unpleasant facts which have come to my knowledge. I have found, as I believe, evidence of fraud and of losses to a large amount. I have placed before you letters and other evidence from various parties to substantiate my statements and have informed you that the parties are willing to appear before you personally. Having done this, my duty to you in this particular is discharged. Whether further examination shall be made, and whether the interests of the Book Concern shall be more perfectly guarded, is for you to determine. As Assistant Agent I have made all examination in my power. I have done all I could to remove those I deemed guilty and to guard the interests committed to my care. In doing this I have brought upon myself the undying hostility of those whose interests were opposed to an examination. I am ready at any time to give the Committee any further information touching the matters embraced in the papers already submitted, and shall continue to devote myself to the work assigned me by the General Conference, expecting, if my life is spared, to lay before that body, and before the entire Church, a full account of such matters connected with the Concern as I think the great body of the preachers and people should know. Yours truly,

J. LANAHAN.

After the above letter was read to the Committee, the Chairman again asked me if I had "any further communication to make?" I replied, "I have other facts I could present, but think I have presented enough, and do not desire to present any more at present."

The Chairman then asked Dr. Carlton if he was ready to make the written report that had been requested. He answered that he would be ready that evening. When the evening came, he was not ready, but presented a long letter from S. J. Goodenough, denying his frauds, and requesting the Committee to appoint some of their members "to visit the publishing houses of New York to ascertain what they paid for paper of various grades." The following was promptly adopted:

Resolved, That we appoint a committee to visit some of leading publishing establishments of the city to inquire the prices of the various qualities of paper used by them from 1863 to 1869.

The Chair appointed Messrs. Blades, Bingham and Van Cleve. They refused to go on such an errand, and the resolution was reconsidered, and laid on the table.

Failing to get a report from the Senior Agent, in answer to the charges contained in my report and that of the Sub-committee, the following was adopted:

Resolved, That Dr. Carlton be requested to report the profits of the Printing and Bindery Departments during the last six years.

The promptness of the response showed that the report had been prepared before it was called for. The following is the report:

PRINTING DEPARTMENT—DISBURSEMENTS AND PROFITS.

	Paid for Merchandise.	Paid for Wages.	Disbursements.	Profits.
1864	$169,161.01	$44,949.18	$223,508.71	$30,772.45
1865	133,488.42	43,101.40	210,022.61	15,627.67
1866	219,126.16	47,686.21	264,641.09	26,459.76
1867	150,396.71	49,363.77	225,807.16	11,264.29
1868	130,691.87	50,434.79	204,648.98	17,769.25
1869	136,786.39	50,475.02	191,700.69	8,005.58
	$939,650.56	$286,010.37	$1,320,329.24	$109,899.00

BINDERY DEPARTMENT—DISBURSEMENTS AND PROFITS.

	Paid for Merchandise.	Paid for Wages.	Disbursements.	Profits.
1864	$120,889.31	$54,065.06	$151,710.98	$18,908.39
1865	96,321.60	42,993.99	147,909.94	7,024.12
1866	64,459.82	52,560.27	128,688.91	25,146.69
1867	43,987.28	55,302.36	124,405.63	11,180.23
1868	45,114.28	42,505.35	90,961.78	7,382.28
1869	41,755.17	48,325.88	111,744.04	16,617.24
	$412,527.46	$295,752.91	$755,421.28	$86,258.95

I make no comment on the above remarkable statement, except to say, that if by "disbursements" is meant "amounts paid for merchandise" and "wages"—and I cannot think of any other meaning—the discrepancies are inexplicable. Any reader can judge of this by comparing the amounts paid, with the amounts disbursed in any one year. The Committee heard the

paper read, and ordered it to be placed on their minutes without asking a single question. The large amounts paid for merchandise and wages show the immense interests under the control of Goodenough and Hoffman, who did all the purchasing for their respective departments. Were there ever before or since such opportunities for frauds by two subordinates?

The purchase of paper alone must have averaged $120,000 per year, the vouchers for which were kept by Goodenough, and, as stated, the cashier paid on monthly statements—so-called. I saw the vouchers for one year, and after examining them, returned them to Mr. Goodenough. That, however, was before the charge of fraud was made. At a later period, it must be remembered, when the Sub-committee called for them, "they could not be furnished."

The Committee had passed a resolution requesting me to furnish a synopsis of the report I had made, and I presented it with the following:

Rev. Dr. Rawlings, Chairman of the Book Committee:—I herewith present a synopsis of the case laid before the Committee. I am ready now, and shall be at any time, to answer any questions and to sustain the charges I have made, in any way the Committee may require.

Respectfully, J. LANAHAN.

The Committee had now been in session twelve days. No report having been received from Dr. Carlton, the following was adopted:

Resolved, That Dr. Carlton, Agent, be requested to present to the Committee a full report in writing of the adminis-

tration of the affairs of the Book Concern, making special reference to the documents now before the Committee from the Assistant Agent, and also to the report of the Sub-committee who especially investigated the affairs of the New York Book Concern.

To the above, he responded in the following long letter, without date, but presented on the 16th of November.

To the Book Committee.

Dear Brethren:—In reply to your resolution handed me about half past eleven o'clock, asking the principal Agent to present to the Book Committee as early as possible a full report in writing of the administration of the affairs of the Book Concern, making special reference to the documents before the Committee, etc.

I cannot reply to the document, presented by the Assistant Agent, in the brief time you will remain in session—one which has occupied his time and attention, according to the document itself, six months and besides, it would place the Agents in antagonism which I desire to avoid as far as possible, and besides, the events referred to, occurred in that part of the Concern especially committed to his supervision. We admit our responsibility in the employment and dismissal of employees and I will here state at once why I did not discharge Mr. Goodenough when the Assistant Agent charged him with corruption and fraud in the purchase of paper.

1. Because Mr. Goodenough had been a worthy member of the Methodist Episcopal Church for nearly or quite forty years (and still retains his membership) and during most of the time he had filled the several offices of Class Leader, Steward, Trustee, Superintendent of Sunday School, and was many years the Leader of the Choir in the Mulberry St. M. E. Church (now St. Paul) and Treasurer of the S. S. Union of the Methodist Episcopal Church.

I never knew a man who enjoyed the confidence of our church and the entire community to a greater extent than Samuel J. Goodenough; and besides, he has been a member of my family five years previous to the last General Conference and a more devoted Christian man I never knew.

Judge then of my surprise when he was charged with corruption and fraud in the purchase of materials for the Book Concern.

Sometime previous to the complaint by the Assistant Agent, Mr. Goodenough had spoken to me of the treatment he had met with from Dr. Lanahan. He complained to me that he was treated very ungentlemanly and he could not consent to do business with him.

I endeavored to persuade him that Dr. Lanahan was all right though his manner might be a little different from ours. This being the state of feeling between the Assistant Agent and Mr. Goodenough, the Superintendent of the Binding Department, I thought it wise to take a little time to look into the matter myself lest prejudice might have something to do in the business.

A few days passed and Dr. Lanahan said, if I did not discharge Mr. Goodenough, he would leave the house. Mr. Goodenough knowing the feeling of Dr. Lanahan said he would relieve me from all embarrassment and accordingly forwarded to me his resignation.

2. As to the commissions paid advertising agents, we can only say there are twenty-six agents, who procure advertisements for our periodicals and we have paid in no instance more than the usual commissions. As evidence, there are but two papers in the United States that do not pay commissions and not one religious paper, and while some allow but 20 per cent., which is our uniform price, others allow 25 and 30 per cent. and some will pay agents almost any amount.

3. As to interest on bank deposits, etc., we refer you to the letters and papers of the President of the National Shoe and Leather Bank, where the accounts are kept.

4. The discrepancy between the books kept by the Agents of the several Book Depositories, grew out of a misapprehension of the Agents of the Depositories, by which they charged themselves twice with certain sales when they received pay but once, and this occurred in the following manner:

When they exchanged our books for books of other houses, they reported them as sales, and both were charged to them on our books, whereas they received the cash for but one sale, and when the mistake was ascertained, the matter was carefully looked into and the error corrected,

the Agents being fully satisfied that it was nothing more or less than a simple difference in the keeping of the accounts as above stated.

"Are the accounts accurately and economically kept?" We answer they are—but if the Committee can devise a better method—we shall be perfectly willing to adopt it, as we do not deem to be so perfect in this, or any other Department of the House as not to listen to suggestions of wisdom and experience.

"There were found several entries in the Petty Cash Book for which no vouchers could be found."

The only explanation we can give to this question is that the vouchers after having been examined by Dr. Lanahan, were mislaid, as the cashier paid no bills without a voucher, and the principal book-keeper says they were regularly filed.

7. The bills for paper were paid on monthly statements certified to be correct by Mr. Goodenough, after the paper was weighed and counted by another party, and his report compared with the original bills, which were then filed and kept to be seen by the Agents when called for, which was done as often as they deemed it necessary, and notwithstanding the Sub-committee report they could not be found when called for, there is abundant proof of their existence, as both the Agents have seen and examined them for one year, at least, and the Assistant Agent admits that he has found all of them for several years, only one year's bills being necessary, and we have no doubt they can be found.

8. Four bills in the Bindery department were found to be incorrect, but these cases were clerical errors and such as were liable to occur, and do occur in the best conducted business houses. In one case the sum was $2.50, which was promptly refunded when the error was pointed out, and in the other case $10, which will probably be returned soon. The other two bills were found to be correct as to the amount, the error occurring in transcribing the number of pounds from the books.

THOS. CARLTON.

After repeated and formal calls made verbally and by resolutions, the above was presented on

the twelfth day of the Committee's meeting, during which time from twenty to thirty sessions had been held (the Committee meeting two and three times each day), and was all that was ever gotten from the Senior Agent, who had been at the head of the Book Concern eighteen years and six months; and that too after I had communicated to him from day to day, and from week to week during six months, every discovery I had made. When I overwhelmed Goodenough and Hoffman with positive evidence of their falsehoods and frauds, he was present but said not a word. The Committee, however, received his letter without a word of inquiry or complaint, and as will be seen, endorsed his management of the Book Concern.

All through my investigations it was apparent that Goodenough and Hoffman had a mysterious grip upon Dr. Carlton, by which they compelled him to stand for their defense. What it was I could only guess. It may have been some matters in connection with the gigantic oil companies in which they were all yoked together.

The Committee now began to talk of the report they should make to the Church as to the result of their investigations. It was repeatedly said that it would not be safe to name the accused parties, as they might be sued for slander. This kind of talk among certain of the Committee became so common that it was referred to in Zion's Herald of December 2, 1869. When commenting on the report, after it was published,

the Herald said: "There seems to have been a timidity on the part of the Committee based perhaps upon two fears, one was a threat of prosecution for libel if they told the facts concerning certain guilty parties, and the other, the more honorable one, of disliking to rake open before a curious world what should be kept as secret as possible." They might, at least, have quoted what my report said of the frauds of Goodenough and Hoffman, both of whom I had named. But they were very timid in dealing with "Brother Goodenough" and Mr. Hoffman, especially the former.

The following is their report:

We, the Book Committee, appointed by the General Conference of 1868, being convened in New York, to attend to the publishing interests of the Methodist Episcopal Church, have had our attention called to alleged losses and frauds in the New York Book Concern, and after careful investigation and serious inquiry into the business of the House during a session of two weeks, and availing ourselves of labors and investigations of a Sub-committee previously appointed, have reached the following judgment, which, for the information of the Church and of the Conferences we embody in the following resolutions, to wit:

Resolved, 1. That it is our deliberate judgment that the last exhibit of the Agents is a true and reliable statement of the responsibility and solvency of the Book Concern of New York.

2. That though the Agents have bought paper and other materials for the Printing Department mainly through paper dealers, or middle men, yet it does not appear by the facts before the Committee that the Concern has suffered any serious loss by such mode of making purchases.

3. That the investigation of the affairs and business of the Bindery has satisfied the Committee that there has been great mismanagement in this department, and that serious losses have occurred therein.

4. That the general management and business of the Concern in all matters involving its credit or integrity is such as to command the confidence of the public.

B. F RAWLINGS, Chairman.

L. M. VERNON, Secretary.

After the above report, the following was adopted:

Resolved, 1. The Committee recommend that the receiving and shipping of goods be by an entry clerk, and the auditing of all bills by a proper auditor of the house.

2. That the time of all employees be reported to the heads of the departments as Bindery, Printing and Clerical force, and a regular pay-roll be made out and the money paid by some other person than the heads of the departments.

3. The Retail departments of the Concerns, East and West, shall be put under such checks in the charging of stock and crediting sales as shall fully protect it from unwarrantable exposure to mismanagement and fraud.

Are not the above "recommendations" a confession that none of these safeguards existed? I ask the ministers and members of the Methodist Episcopal Church whether it was possible properly to conduct the immense business of the house without them? Goodenough and Hoffman were their own "entry clerks," kept their own "pay-roll," "audited" their own bills, with no more oversight than there is oversight of any readers of this narrative when they purchase a ticket to travel on a railroad! The "no serious loss" and "great mismanagement and serious loss" declared in the above report, were the result of the absence of all those safeguards. Yet the Committee endorsed and commended

the management! Throughout the proceedings, the purpose of the majority to shield the Senior Agent from blame was apparent. But when the report was made public, his responsibility was made so obvious to the mind of the Church that a demand was made for all the facts. Then commenced the formation of a powerful combination to conceal all, glorify Thomas Carlton, whitewash Goodenough and Hoffman, and crush me, as will appear in the further parts of this narrative.

SECOND MEETING OF COMMITTEE.

The first report, stating that there had been "no serious loss" in the Printing Department, but "great mismanagement and serious loss" in the Bindery Department, created a widespread demand throughout the Church for the facts upon which the report was made. The Massachusetts State Convention of the M. E. Church, held at Boston, December 15th, 1869, adopted the following:

Whereas, Painful and alarming rumors have spread far and wide of defalcations in the management of our Book Concern in New York, and

Whereas, The late report of the Book Committee concerning the same, while showing that these rumors are not groundless, is manifestly imperfect and unsatisfactory; therefore,

Resolved, That we respectfully call upon the said Book Committee for a full report of such facts within their knowledge as are necessary to a clear understanding of the manner in which the great interest of the Church has been managed.

Resolved, That we urgently request the Sub-committee of Investigation to zealously pursue their labor to the extent necessary to a full understanding of the affairs of the Concern.

The following was adopted by the Texas Conference:

Whereas, The Book Committee made a report at its late session, in New York, in relation to alleged losses and

frauds in the New York Book Concern, which is vague and indefinite in its terms, therefore,

Resolved, That it is the judgment of this Conference that the said report should be reconsidered by the Committee with a view to a more explicit declaration of its investigations.

Resolved, That the honor of the Church and the public faith in our Book Concern, demand the vigorous conduct of such investigation, and the fearless and faithful prosecution of criminal parties in the courts of the Church, or of the country, as the results of such investigation may demand.

Resolved, The Secretary is ordered to forward to the Book Committee a copy of the above resolutions, duly certified.

GEO. W. HORNER, Secretary.

Texas Annual Conference for 1870.

It now became obvious that the Committee would be compelled to explain their brief and evasive report, which, instead of allaying, increased the excitement started by the article in the New York *Times*, and January 6, 1870, Rev. C. Brooks published in the Christian Advocate a long and labored article in defense of "The Report of the Book Committee." After advising that the Committee meet again and agree upon "a satisfactory report," he says of the former meeting, "there was no lack of diligence on the part of the Committee in the endeavors to ascertain the facts, the amount of losses, and the perpetrators of the frauds." As to the "amount of losses," I had stated that they had averaged from $25,000 to $30,000 a year for ten years; and as to "the perpetrators of the frauds," it required no "endeavors" to ascertain that, as I had named them in my report, and

they had appeared before the Committee to deny their frauds. Yet, one might infer from the above that they were unknown.

Dr. Brooks next refers to the authority of the Committee to "suspend an Agent," and makes the following strange statement:

> No committee of prudent men would take such a step unless in an extreme case—not unless the Concern was at stake. Very few even of thoughtful business men have counted the cost of suspending, even for a few days, one of the Agents at New York, just at this time; and I say it deliberately and fully understand whereof I speak—such a measure would cause a paralysis extending to the remotest missionary station in the Church.

As I had nothing to do with the Missionary Society matters and had not in any way referred to them up to that time, the above could not have been intended to apply to me; not only so, but subsequently, I was twice suspended, and the first time kept in that degrading position five months, and no "paralysis" came to the Church, nor to any missionary station. Was it beginning to dawn on the apprehension of Dr. Brooks and his associates that if the Church should get the facts which they had concealed, another Agent at New York than John Lanahan would have to be suspended? Evidently members of the Book Committee had been made to believe that the suspension of the Senior Agent would cause the predicted "paralysis"! That appears to be the only explanation of the above extraordinary statement. And it implies that in some way they had been made to believe

the great Missionary Society of the Methodist Episcopal Church was dependent on the Rev. Thomas Carlton.

But another way of escape was deliberately planned to save the great interests of Methodism from "a paralysis extending to the remotest missionary station of the Church," and that was, by summoning the Committee to meet again to declare first, that there had been neither fraud, loss, nor mismanagement. Second, to require the Assistant Agent to unite in the denial, or at least promise to say nothing, and make no report to the General Conference. Third, if he refuse, and persist in his allegations, induce Goodenough to sue for libel and thus frighten him into silence. Fourth, if these fail to bring him into submission, get up charges against him and suspend him from his office, and if the Bishops refuse to acquiesce in his expulsion, employ the official press and threaten to abolish the life tenure of the Episcopal office. That these steps followed each other in regular order as effect follows cause, will be made plain in the further facts of this narrative.

On the 12th of January, 1870, the Committee assembled again, professedly to examine, but it was soon made apparent that the real object was to retract their former report, get me out of the Book Concern, and whitewash the defrauders. The following letter which I found on the floor of the Agents' office early in the meeting, shows that correspondence had been had which fore-

boded evil to me. Its significance justified my copying, after which I left it where I found it.

New York, December 22d, 1869.

Rev. F. A. Blades:

Dear Brother.—I am more and more of opinion that Dr. Lanahan has injured the Book Concern a hundred-fold more than any other person. Of course he has not intended to do it, but his good intentions have not saved him from doing a world of mischief to our time honored Book Concern.

Yours truly, GEO. W. WOODRUFF.

The previous meeting of the Committee, at which it had been unanimously declared that there had been "great mismanagement and serious loss" adjourned Nov. 18th. Thus, in thirty-four days, the writer of the above had undergone a complete revolution of opinion. Perhaps the demands for the facts which were "more and more" coming from different parts of the Church contributed to produce the change.

The Committee adopted the rule of the former meeting, providing for secret sessions, and that no member should communicate any of its proceedings without the consent of the Committee. Rev. Alexander McLane, who had served as stenographer during the latter part of the former meeting, appeared again. I objected to his further serving in that capacity on the ground that he had in various ways made himself a zealous partisan, and had declared in the New York preachers' meeting that there had been no fraud or mismanagement, and that "the animus" of my charges was "to promote lay del-

egation." I insisted that the delicate duties of a stenographer required that he should be free from all bias, much more from partisanship. My objection, however, received no attention, and he was continued. Dr. Carlton had employed him at $8.00 per day. Rev. J. W. Eaton, of Troy Conference, was also employed by Dr. Carlton, at the same compensation. Both of those gentlemen became earnest advocates of the course and action of the Book Committee and of Dr. Carlton. I was unable to appreciate the need of two stenographers, but Dr. Carlton did, and that settled the matter. As he controlled the money of the Book Concern he could use it as he pleased, and he did use it freely.

When the reading of the testimony taken at the November meeting was commenced, Rev. G. W. Woodruff stated, that "Mr. E. L. Fancher, attorney for the Book Concern," was in the building and desired to be present and hear the testimony read. I objected on the ground that Mr. Fancher had denounced me in public and in private, and had grossly insulted me at my own desk, after thrusting himself upon me for an interview, because I refused to sign a paper, written by himself, for publication, which denied that there had been any fraud in the Book Concern. Dr. Carlton advocated his admission, and of course Dr. Carlton's wish was granted. If Mr. Fancher was "attorney for the Book Concern," then he was attorney for Carlton & Lanahan, as, properly speaking, they were, for

the time being, the Book Concern, just as Messrs. Hunt & Eaton are now. Thus, Mr. Fancher became first the secret, and then the open prosecutor of one of his own clients! Such conduct in a civil court would have disbarred him, if not something worse. Resolutions to allow me to employ counsel were twice voted down. I then determined to put myself upon the Committee's records and presented the following:

January 27, 1870.

To the Book Committee:

Brethren.—As you have invited Mr. Fancher to sit with the Committee, as an attorney, to hear the testimony read that was taken at your November meeting, I respectfully ask the privilege of inviting an attorney to be present at the same time for the same purpose.

Respectfully, J. LANAHAN.

The above was promptly laid upon the table. It was soon made clear that Mr. Fancher had been brought there not "to hear the testimony taken at the former meeting read," but to assist the Committee to get me out of the Book Concern. The following was adopted: "Resolved, that Mr. Fancher be requested to act with and assist the Committee, and the Sub-committee, in the further prosecution of their work." "Prosecution" was the right word to use. Rev. James Pike, Chairman of the Sub-committee, refused to serve with Mr. Fancher on the ground that Mr. Fancher could have no legitimate connection with the Committee, and that the Committee had no authority for bringing him into their proceedings. The promptness with which Dr. Pike was

excused showed that they were quite willing to get him out of the way. His report at the former meeting had made him an undesirable investigator. He and Dr. Slicer presented the following protest:

The undersigned respectfully enter their protest against the action of the Book Committee, by which it invited the Attorney of the Book Concern to assist the Committee in its investigations into the alleged mismanagement of the Book Concern.

1. Because that action needlessly disregarded the feelings and protest of the Assistant Book Agent in a manner calculated to embarrass him in his intercourse with the Committee.

2. Because we fear that the Committee have by that act subjected themselves to the imputation of having in effect employed the counsel in the case to assist in conducting what is substantially the prosecution, which we apprehend, will excite and alarm the Church and bring odium upon the Committee.

H. SLICER AND JAMES PIKE.

One might think that in view of the above protest Mr. Fancher's sense of propriety would have caused him to retire from the Committee's proceedings, but he did "not stand on technicality." He had been brought there "to assist the Committee in the further prosecution of its work," and expected a reward, and he got it, receiving $1,000.00, though for a blind, the entry was made in the books of the Concern "for ten years services." The ridiculousness of this appears on its surface. How much more he received for after services I never learned.

After all the testimony had been read, a resolution was adopted, in secret session, authorizing

me to bring in an attorney "provided he be a Methodist." I replied:

New York, January 31, 1870.

To the Book Committee:

Brethren.—I have received a communication from your secretary informing me that you propose now, at this stage of the proceedings, to allow me to bring in counsel, "provided he be a Methodist." I have to say in reply, that my application for counsel, and resolutions to grant that application were twice rejected at the time when Mr. Fancher was admitted to the meetings of the Committee, and the testimony was as yet unread. I wished my counsel to be present during the reading of the testimony. Your invitation, coming as it does after the reading of the testimony has been completed, seems to me most extraordinary. That part of the proceedings which a legal adviser should have heard has already been disposed of.

I had not thought of the admission of counsel to the sessions of the Committee at all, and was more than surprised when the application of Mr. Fancher to be present was presented and granted. I informed the Committee that Mr. Fancher had made himself a partisan from the outset of my investigation, and had spoken strongly in public and private against me. He was nevertheless admitted, after a speech from my colleague in favor of his admission.

It needs but a moment's consideration to show the utter unfairness and injustice of this action. You have exacted of me what was not required even of the expelled employees who have wronged the House. My statements, confirmed by the written testimony of respectable merchants were refused, until, at the cost of great inconvenience, I had brought the parties in person. This has not been demanded of the expelled parties. They have been allowed to offer their own words without any corroboration, except second and third hand testimony, which can be shown to be false.

In the name of the Church, whose endangered interests I represent, and whose servant I am, I here enter my solemn protest against these wrongs and to that Church I shall make my appeal for justice.

Very respectfully. J. LANAHAN.

Failing in their efforts to force me into subserviency with their plans of concealment they adopted the following—which was offered by Rev. J. H. Moore:

Whereas, Our Book Agents have not been under charges before this Committee, and whereas, they are not convicted of any wrong involving their official or moral character, therefore,

Resolved, That in the judgment of this Committee, it would be highly improper in them, or either of them, to go to the General Conference with a statement of this case, the Committee having carefully examined and decided the whole case. (Journal of Committee, February 9, 1870.)

What was my duty in such case? I had read of men who rather than betray their trust and sacrifice the truth, had laid their heads upon the block and smiled as the axe came down; and of feeble women, who in like circumstances, braved the stake and went to heaven wrapped in robes of fire. And should I, when no such result was impending, and no such sacrifice was possible, merely to retain the office of Book Agent, betray a sacred trust and disgrace myself in my own eyes? What think ye, pastors and laymen of the Methodist Episcopal Church? If that was not a glaring attempt to smother the truth, what was it?

Finding that they could not by threats of suspension and expulsion drive me into obedience to their plot of suppression, and evidently fearing that by further examination I should find additional evidence of new and much greater frauds, they adopted the following:

Resolved, That hereafter, if anything shall occur in the management of the Book Concern that may require special inquiry or investigation, such inquiry or investigation shall be made conjointly by the Agents, assisted by the Attorney for the Book Concern.

Where did they get authority for such action? Certainly not in any law of the Church. The entanglements in which they had become involved made them see and feel that they must be a law unto themselves, and act upon the principle that self-protection is the first law of nature! I had not asked for assistance, nor did I need it, especially of that kind. If the Senior Agent, who had been at the head of the establishment nearly twenty years needed it, the Committee should have confined their resolution to him. They had reason to know that the attorney would gladly render him any "assistance" he might need, without request or order from them. There was method in all this madness!

But it evidently occurred to the Committee that there was another important point to be guarded; their own Sub-committee could not be trusted, especially with Rev. James Pike, another "enemy of the Book Concern," at its head, who had reported several ugly things, among them the loss of $21,000.00 in the single item of leather, and the following was adopted:

Resolved, That the Sub-committee be and is hereby instructed to avail themselves of the assistance of the same parties in any investigation or inquiry they may be under the necessity of making.

I affirm that never before was it heard of that a Sub-committee, appointed to examine accounts that were charged to be fraudulent, were required "to avail themselves of the assistance" of the party responsible for the accounts. And why should the Sub-committee be required to avail themselves of the assistance of Mr. Fancher, the especial friend and advocate of the party whose accounts were to be examined? It is not strange that Rev. Jas. Pike, Chairman, refused to act under such requirements. But, as if all this might not accomplish the end in view, and as if they could not trust themselves, nor the Sub-committee, the following was adopted:

Resolved, That the duties of this Committee, and of the Sub-committee are now ended concerning the books and papers of the Book Concern of New York bearing date up to, and prior to December 1, 1869.

Dr. Carlton advocated the adoption of this resolution, and insisted that the continuance of the examination would interrupt the business of the house! If any purely secular corporation, against whose management charges had been made, were to adopt such resolutions and methods, what would the public say? And what when it was the publishing house of the Church! Why was the Committee so careful to specify the exact date, "up to, and prior to," behind which no investigation of "books and papers" should be made, namely, "December 1st, 1869"? They were manifestly acting under instructions. I

had laid before them important facts prior to that date, and in this narrative I shall present those facts with many others of date more than twelve years "prior to December 1st, 1869." These men were in wily hands. Whatever they were told to do, they did, not for a moment supposing that their acts ever would be brought to the light of day. And in all probability they never should but for the declaration of Dr. C. C. McCabe, quoted above, that the church "never lost a dollar by one of its Agents." He had been making much stronger statements for twenty years. Of course he, like many others who knew nothing of the facts, believed what he said.

Notwithstanding the Committee had declared: "the testimony not only failed to establish the evidence of fraud, defalcation, or corruption, but likewise failed to establish the allegation of losses"; thus giving the Agents (Agent), Goodenough and Hoffman a full and sweeping endorsement, their last act, before final adjournment, was the adoption of the following, which was offered by Rev. F. A. Blades:

Resolved, That whatever irregularities have been discovered by the investigation before the Committee, are the result of confiding too much in subordinates. We hereby call the attention of the Agents to this fact, and urge upon them greater personal vigilance in personally superintending the business of the Concern.

Was there ever before, or since, such contradiction? More than once, yes, many times, during the six meetings of that Committee, I found myself whispering to myself: "Is this the way

it was done in the old Inquisition, where truth and justice were trampled?" The protests of the minority amounted to nothing. As Dr. Slicer expressed it in his address before the Baltimore Conference "I had just as well whistled to a whirlwind, or talked to a tornado." The Committee had met for a very definite purpose, and all their proceedings, under the guide of the lawyer, were directed toward that purpose. Not, indeed, an examination of the crimes of the defrauders, but to destroy my character, as,—to use their own words,—"a slanderer of the Book Concern and its long trusted employees," and send me back to my home in Baltimore in disgrace. After clothing Mr. Fancher with authority "to act with and assist in the further prosecution of the work," the Committee ordered a recess, evidently to give Mr. Fancher an opportunity to bring the "work" into a specific shape. When the recess ended, a resolution was adopted to stop the further investigation of mismanagement and fraud, and the following distinct, lawyer-like propositions were submitted:

1. With respect to the management and conduct of the Book Agents, or either of them, has there been any fraud or corruption?

2. Has there been any fraud or corruption in any employee of the Book Concern?

3. Has there been heretofore anything in the conduct of the Agents, or either of them, injurious to the interests of the Book Concern?

4. Is there anything in the disposition of either of the Agents, or any want of harmony between them, which calls for the action of the Committee?

It was easy to see the direction in which these questions pointed; but I listened in silence, not thinking so much of myself, as of the Church of which those men were the representatives! The minority cast glances at each other, as if to ask: "what next?" The first two questions were quickly disposed of, the Committee deciding that there had been "no fraud or corruption on the part of either of the Agents, nor of any employee."

The third question was taken up, and the object for which the Committee had met was made perfectly transparent, namely, to find ground for charges upon which to suspend me, and if that failed, by personal appeals and threats of suspension to bring me into acquiescence with their plans of suppression and concealment from the Church of the iniquities that had been committed.

As the third question related to "the Agents, or either of them," the reasonable course, one might think, should have been to begin with the Senior Agent, to ascertain whether he had "done anything injurious to the interests of the Book Concern," especially as their previous report had declared that "there had been great mismanagement and serious loss," and more especially, as that report was based upon the facts I had laid before them, showing that the "great mismanagement and serious loss" had extended through a long series of years before I became one of the Agents. But they were not

after the senior agent—I was the object of their relentless persecution.

Although they had in their hands my long list of the facts of fraud, and the Church papers and the secular press had been filled with the discussion of the subject for many weeks, the Committee now called in numerous persons to ascertain whether I had said anything on the subject to others than themselves. Among those called were Doctors John McClintock, President, and B. H. Nadal, Professor, of Drew Theological Seminary, to both of whom I had told all I knew, and they so stated. Their next search was to ascertain whether I had inspired the criticisms of the secular press. For that purpose they requested Mr. George W. Jones, proprietor of the New York *Times*, to appear. Rev. George W. Woodruff said to Mr. Jones: "Are you not afraid to attack the great Methodist Episcopal Church?" He replied: "I am not attacking the Methodist Church, but the rogues in the Church."

Failing in their hunt for something against me, and perhaps supposing that I would not dare present any new evidence of mismanagement and fraud, they varied their proceedings by asking the Agents if they had anything to communicate? Dr. Carlton, as usual, answered that he had no communication to make. I thereupon presented a written statement of a false entry in the ledger of $20,900, charged to the wealthy Banking House of Brown Brothers & Co., and

charged off as a loss; which I characterized as "something more than improper."*

I also presented a report showing a discrepancy in the wages account of S. J. Goodenough of $1,900. The facts of this case are: I had in my employ an accountant, whom I had long and well known, to examine the wages account in the Printing Department for six consecutive years, and gave him from the account books of the Agents' office a statement of the amounts of money drawn by Goodenough. Before he had progressed far in the examination, he reported to me a discrepancy of $1,900 between the amounts that had been drawn and the amounts paid. I immediately reported it to the Book Committee then holding this second meeting, and requested a special examination of the discrepancy.

Instead of giving the least attention to my report, the Committee referred it to Dr. Carlton. His practice had been to write nothing in reply to my charges, but to indulge in verbal statements. I, therefore, requested that he be required to reply to this case in writing. At the afternoon session of the Committee, he reported verbally that "the discrepancy amounted to only two cents, which was occasioned by mistaking a figure 7 for a figure 9." Upon my request, the matter was referred to Dr. Carlton and myself, with the understanding that we should meet that evening, with Mr. Goodenough and my account-

* For full account of this case see Appendix I.

ant present, the result to be reported to the Committee the next morning. At the appointed hour, I and my accountant were on hand, at the Agents' office, only to learn, however, that Dr. Carlton, Goodenough and Grant, the book-keeper, had been there and professed to have gone over the matter in our absence. With what result I never learned, as Dr. Carlton made no report the next morning, nor did the Committee ask for one, or even refer to it.

During the hours of that day a plot was devised not only to stop a further examination of Goodenough's wages account, but also all examination, and that members of the Book Committee yielded themselves willing accomplices of the conspiracy, the following facts show.

The next morning, as soon as the Committee met, the following paper was presented:

We, the undersigned members of the Book Committee, having occasion to visit the Book Concern, at 200 Mulberry Street last evening, had our attention called to certain papers lying promiscuously about the rooms of the building. On examination they were found to be papers of value and vouchers of important transactions in the Concern. On further inquiry, we found the confusion of the papers to which our attention had been called to result from the conduct of a stranger known as an expert, who seemed to be in possession of the vouchers and making free use of them. We found also that the vouchers had been substantially in the same condition several days, and the room in which they were found was accessible to parties interested in them, and consequently liable to loss. We deem it our duty to state these facts, leaving the Committee to take such action in the premises as the case may require.

J. H. MOORE, C. BROOKS,
I. S. BINGHAM, F. A. BLADES.

Rev. L. M. Vernon was also in company with the above, but refused to sign their paper.

Immediately upon the presentation of the above, the following resolution—in readiness for the occasion—was presented and adopted:

Resolved, That hereafter, and during the pending of this investigation, no papers, bills or account books shall be subjected to examination, or handled by any one, but by the concurrent consent and knowledge of both the Agents, together with the approval and knowledge of this Committee, except by such clerks and book-keepers as are now on duty in the Concern, in the regular discharge of their duty.

Whilst the above was pending, I was called out of the Committee room by my accountant, who stated to me that the previous evening, when quitting work, he had, as was his practice, carefully put the papers he was examining on the open shelf where they had been kept, and that on returning that morning he found them scattered over the floor. I returned to the room and reported these facts to the Committee, and requested that he be permitted to make his statement to them. My request was resolutely opposed by the signers of the above paper. Dr. Slicer seconded my request and said, "It would be an outrage upon all fair dealing to refuse to hear the accountant." Rev. J. H. Moore, who appeared to be at the head of the conspiracy, said to Dr. Slicer: "Do you want to make the signers of the paper liars?" Dr. Slicer replied: "Some person may have scattered those papers for a purpose." The Committee refused to hear

my accountant, but called in Rev. W. H. DePuy, who corroborated the statements of the signers of the paper. The Committee had no fear that he would "make the signers of the paper liars." He could be trusted, because it was not the first time, nor was it the last, in which he rendered important service to the Committee in the crises of their wonderful doings.

Within two hours after the above occurrences, I gathered the following facts: After the presentation of my report of the discrepancy of $1,900, Rev. W. H. DePuy went to the old building, 200 Mulberry Street, and told Henry Umber, whose business it was to lock up the house, to keep it open that night, and that some members of the Book Committee would be there between eight and nine o'clock. Mr. Daniel Denham, Cashier, and brother-in-law to Dr. Carlton, went to the hotel at which the above named members of the Committee stayed, and piloted them to 200 Mulberry Street to see the "Scattered papers."

If "the papers had been substantially in the same condition several days," is it not remarkable that it was not reported to the Book Committee at least one day prior to my report of the above discrepancy in Goodenough's wages account? "Between eight and nine o'clock" at night, about the 13th of January, was not a pleasant time to go on such a mission to the old building on Mulberry Street. The trick was more bunglingly done than was usually the case,

when W. H. DePuy was co-manager. Perhaps my report of the morning caused the necessity for hurried action to prevent the discovery of additional discrepancies in the wages account of the much trusted Goodenough. But this is not all—the signers of the above paper unwittingly furnished additional proof of what I had previously alleged, namely, that "papers of value, and vouchers of important transactions in the Concern" were not kept on file in the office of the Agents, but were left in the keeping of employees who did the purchasing of the materials. Dr. Carlton declared before the Committee that "those papers and vouchers represented several hundred thousand dollars."

My presentation of the false entry in the ledger to "Brown Brothers & Co.," and the discrepancy in Goodenough's wages account, appeared to anger some of the Committee, and a more direct personal attack was commenced. Rev. B. F. Rawlings, Chairman, who was always one of the most assuming and presuming, invited me out of the room, and said: "I have invited you out here to request you to resign." I replied, "I am here without my seeking, and will not resign, much as I dislike the place." He then said: "I will make the request from the Chair." I responded: "You may make it from a hundred chairs, it will have no effect upon me, come what may." On returning to the room, I thought I saw evidence that some of the Committee knew the object of the interview, and were anxious to

know the result. On resuming the chair, he said: "Is Dr. Lanahan disposed to hush up the matter? If not, other things must come before us." I made no reply, but fully comprehended what he meant by the "other things."

H. R. Hoffman had been so thoroughly involved in contradictions when he appeared before the Committee, at their former meeting, that he refused to appear at this; but, unfortunately for him and his advisers, he sent word by Dr. Carlton, that if the Committee desired any further information from him, their questions must be propounded in writing.

The following is from the records of the Committee: "Messrs. Pike, Moore and Vernon were appointed a Committee to furnish Mr. Hoffman a written statement of matters connected with the Committee's investigation in which he is involved."

Feb. 1st, The Committee appointed to give Mr. Hoffman a statement on which information was needed from him reported the following, and a copy was sent to Mr. Hoffman, as follows:

New York, January 30, 1870.

H. R. Hoffman, Esq.:

Dear Sir.—The Committee desire information from you on the following points:

1. The Sub-committee reported a deficit of about 1400 dozen of skins between December, 1867 and September 1, 1869. How can you account for this deficit?

2. What account can you give for 141 dozen of sheep skins sent from the Book Concern by your order about March, 1869?

3. The bills show that you purchased in December, 1868,

between twenty-five and twenty-six hundred pounds of glue. Can you show that said glue was ever received at the Bindery, and if so, how was it used?

4. It is reported to us that you bought at one time four yards of black velvet, at $16 per yard; at another time four yards, at $17 per yard. What became of it?

5. In 1869 six pieces of shirting muslin came to the Book Concern from Lord & Taylor. Can you show how it was used?

6. On at least two occasions, Mr. Myers receipted for more money than he received. Can you give the reasons for these facts?

7. Several other discrepancies appear between the amounts due on wages and the amounts receipted for. Can you explain these discrepancies?

8. Can you explain the use made of various sums of money drawn from the Bindery Department for miscellaneous articles?

9. Can you give any definite account of the amount of gold sweepings accruing in the Bindery Department monthly or yearly, or their value?

10. It appears that the names of several parties were retained on the pay-roll after they had ceased to be employed, as shown by the books of the head of the folding department. Can you show the propriety of such things?

11. Do you know of any record showing that goods bought for the Bindery were duly received, and if received, that they corresponded in quality and quantity with the goods purchased?

12. Can you give an account of a certain lot of morocco, about forty dozen, purchased by you of Mr. Lutkins for the Bindery, which were afterward exposed for sale in a tin-shop on Pearl Street, 295½?

13. You are shown by parties who have been before us to have received commissions on materials purchased for the Bindery. On what ground do you justify this procedure?

Respectfully, L. M. VERNON,
Sec. of Book Committee.

No answer was received to any of the above questions, and the Committee said nothing about Hoffman's silence.

A Sub-committee previously appointed, presented for adoption the following report to be sent to the Annual Conferences. Without assigning any reasons for the change, they reversed the decision of the preceding November, and all the following questions were answered in the negative:

1. In respect to the management or conduct of the Agents, or either of them, has there been anything fraudulent or corrupt in the Book Concern?
2. Has there been anything fraudulent or corrupt in the practice or conduct of any employee of the Book Concern so far as the Printing Department is concerned?
3. Has there been anything fraudulent or corrupt in the practice or conduct of any employee in the Book Concern in respect to the Bindery?

These questions in the estimation of the Committee embraced all the allegations made against the Book Concern, its Agents and employees; and in the settlement of them every item in any way affecting the Concern was most fully investigated. The Committee could not find otherwise than that the testimony not only failed to establish the evidence of fraud, defalcation, or corruption, but likewise the allegation of losses.

They could not have given the management by the Agents, and the faithfulness and integrity of all the employees a stronger endorsement. The object of this sweeping denial was to escape being questioned if they again admitted that any wrongs had been committed.

Contrary to all custom, the minority had been denied representation on the Committee, and gave notice that they would present a dissenting report the next day. The following are some of the reasons they assigned for their dissent:

We, the undersigned members of the Book Committee, respectfully dissent from the report of the majority, adopted yesterday, for the following reasons:

1. Because nothing has come before us during our present session to relieve our convictions of losses and mismanagement in the Book Concern, so insufficiently expressed in the Committee's report in November last.

2. Because, from testimony before the Committee, it appears that the Book Agents, for a series of years, purchased a very large part of their paper from or through a middle-man or paper broker, who represented himself to paper manufacturers as controlling the purchase of paper for the Book Concern, and whose relation to one of the Agents gave special credibility to his representations, and who also represented himself to the Book Concern as the accredited agent of certain leading manufacturers. This method of purchases appears to us discreditable, and almost of necessity, damaging to the house.

3. Because the testimony before the Committee shows that this system actually was damaging to the Book Concern. The Agents have bought since 1860 from or through the above named middle-man paper to the amount of nearly $700,000: from him direct about $350,000, through him as a broker about $350,000. The "statement" of the Assistant Agent to the Committee, corroborated, as it is, by documents drawn from the books of the dealers referred to, and also from the Order Book of the Printing Department of the Methodist Book Concern, clearly shows that on sales to the Book Concern, amounting to $63,699.16, between July, 1867, and August, 1868, the profit accruing to the above-named "broker" was $6,805.04; and that during the same period his commissions on purchases made from ——,* amounted to $3,040.28. Between August, 1868, and June, 1869, he received from those two houses commissions amounting to $5,765.55 on paper ordered directly from the Book Concern. We give these as specimens only, not pretending to say what was the whole amount of profits and commissions on the entire sum of nearly $700,000.

5. Because no evidence in rebuttal of the above state-

*Several letters of paper dealers accompanying the minority report have already been given in this narrative.

ments was laid before the Committee except to the effect that the purchase of paper through middle-men was not unfrequent. Moreover, an assertion was made to the Committee that prices paid by the Concern for paper were as low as those paid by other publishing houses. But the testimony showed, 1. That the purchase of paper through brokers is the exception, and not the rule; that especially in large establishments, the usage is to purchase directly from manufacturers; and, 2. That even where brokers are employed the commission paid is rarely over one per cent. As to comparative prices paid by the Book Concern and other houses, it was conclusively shown that no clear proof is possible from the very nature of the case. And, moreover, our concern is not what other houses paid for paper, but what the Methodist Book Concern might have bought it for.

6. Because, in our judgment, based upon testimony before us, the following losses have occurred in the Bindery:

1. In leather, from December 1, 1867, to September 1, 1869, bought by the Book Concern, but not accounted for or shown to have been used in the Bindery, about $20,000.

2. Also within nine months, from December 1, 1868, in the item of glue, paid for and not accounted for, about $800.

7. Because we believe that funds of the Book Concern have been sacrificed and placed in jeopardy by the appropriation of the gold-sweepings to the head of the Bindery as a perquisite instead of a small supplement to his salary. For several years the purchases of gold-leaf have averaged over $8,000 per year, and the gold-sweepings have amounted, we are convinced, to at least fifteen per cent. of the whole purchase, making annually at least $1,200. Any employee is dangerously tempted when his careless use of costly materials results in the increase of his own salary.

For the above reasons, not to name others, we feel ourselves compelled to present this minority report; and we further feel ourselves compelled to say, that the methods of making purchases in the Printing Department, the methods of paying wages and keeping accounts thereof in the Bindery, and the methods of checking invoices of goods received, have been defective, and likely, therefore, to lead to losses. We at the same time express our firm belief and hope that the Book Committee's investigations

have so far awakened attention, and will lead to such improvements in the methods of business, that the Book Concern will be secured to a very great extent against the possibility of similar irregularities and losses hereafter.

HENRY SLICER,
JAMES PIKE,
L. M. VERNON.

New York, February 10, 1870.[1]

The Committee by a resolution refused to receive the report of the minority, claiming that they had no right to make it. Dr. Slicer then took it from the Secretary's table and put it in his pocket. The Committee then reconsidered its action and adopted the following:

Resolved, That a paper called a minority report offered by Messrs. Slicer, Pike and Vernon be received and filed with the papers of the Committee, to be forwarded to the General Conference.

The object of this resolution was to suppress the minority report, and prevent it going with that of the majority to the approaching Annual Conferences.*

[1] The Christian Advocate of April 24, 1870, designated the above as the "keynote" of an "outburst of brazen harmony," and said: . . . "That mischievous missive begins its evil work by assuming for itself the style and title of a Minority Report of the Book Committee. That body however is known only in its individuality—one and indivisible—and therefore a minority report is an absurdity. The paper therefore is without legal status; the unoffical utterance of its authors; but not therefore any the less potent for mischief."

The above needs no comment.

* For action of Baltimore Conference, and Dr. Slicer's account of their treatment of minority and their report, see Appendix II.

Rev. J. H. Moore said, "The minority has forced upon us the consideration of another matter. I had hoped that the Committee would be unanimous, but the minority report has disappointed me, and we must now proceed to another question."

Rev. Geo. W. Woodruff, with much emphasis, said, "The enemy has gotten into the citadel of the Church, and must be gotten out."

Rev. B. F. Rawlings left the Chair and said, "Can we say that Dr. Lanahan will make no further investigation into these matters? If not, it is time to act. We have but one thing to do, and that is to go forward."

Mr. Woodruff again spoke, and said, "The action of the minority makes it necessary for us to go back to our original purpose."

J. H. Moore then addressed me directly, and said, "Will you promise not to report these things to the General Conference?"

I cannot put upon paper the exhibitions of passion accompanying all this, to which I listened in silence.

THIRD MEETING OF GENERAL COMMITTEE.

Matters had now reached a stage when formal action was found necessary to cover up the frauds, which could best be done by starting formal proceedings to get me out of the Concern, and the following "private" notice for a meeting of the Committee for May 19th, 1870 was issued.

[PRIVATE NOTICE.]

To the Book Committee:

Dear Brethren.—I have received a paper containing charges and specifications against Rev. John Lanahan, D. D., Assistant Book Agent of the Methodist Book Concern, to which your attention should be called.

The charges are: 1. Official misconduct and malfeasance. 2. Neglect of official duty. 3. Untruthfulness, irascibility, slanderous disposition, and other objectionable personal characteristics, which unfit him for the position of Assistant Book Agent. 4. Insubordination to his official superiors—the Book Committee—and violation of his pledges to them. 5. Want of business qualifications and capacity for the discharge of his official duties as such Assistant Book Agent.

Under these charges there are altogether twenty-nine specifications.

Accompanying the charges and specifications is the following request:

"We, the undersigned ministers and members of the Methodist Episcopal Church, to convene and take action

on the above charges and specifications as soon as practicable.

" (Signed,)

MINISTERS.

David Graves, Newark Conference.
Jacob P. Fort, " "
Geo. F. Dickinson, " "
J. Cowens, " "
D. Walters, " "
H. F. Pease, Presiding Elder, New York East Conference.
W. K. Evans, New York East Conference.
Geo. Taylor, Pastor Methodist Episcopal Church, Flushing, and others.

LAYMEN.

J. W. Allison, Yonkers Methodist Episcopal Church.
C. H. Fellows, Brooklyn.
Orange Judd, Flushing Methodist Episcopal Church.
Jas. R. Edwards, Trinity Methodist Episcopal Church, New York.
Jno. O. Hoyt, Elizabeth, St. Paul's Methodist Episcopal Church.
Joseph K. Knapp, St. John's, Brooklyn.
H. D. Rolph, St. Paul's, Elizabeth, New Jersey."

The Committee can only be called together by the Chairman, at the request of four of its members, and said members are to designate the time and place. I suggest May 19th as the time, in case it is thought best to meet.

Respectfully submitted,
B. F. RAWLINGS, Chairman.

Indianapolis, Ind., April 27, 1870.

The required number signed the request for the call.

Of this meeting I had no knowledge save from private rumor, until the Committee met, although their coming was known to some of the employees of the house. A majority of the members did not come into the office of the Agents,

but went directly to the room in which their meetings were held, some of them having been to the office of their lawyer, Mr. E. L. Fancher, to get instructions as to how to proceed. They came unheralded, and for what? All I knew was that a heavy blow was intended, which might fall upon me at any moment—when or how, I could only guess. It soon appeared, however, that the object of their mysterious assembling was the suspension of John Lanahan, Assistant Agent. Instead of there being a prosecution of the defrauders, who had enriched themselves at the expense of the property and honor of the Church, I was to be held up before the world as the criminal. It turned out that they had been summoned to try a long list of charges against me; but I, the person most interested, had received no notice of such charges. A pamphlet purporting to contain charges had been sent to me through the mail anonymously, and without explanation—I do not know to this day by whom it was sent. The charges were signed by sixteen persons outside the Book Concern, three-fourths of whom were entire strangers to me, and related to matters of which they could have no personal knowledge. One charge related to certain pledges alleged to have been given by me to the Book Committee, of which, whether true or false, the outside public could know nothing whatever. The charges were entertained by the Committee without a word of communication with me. Four of the signers

appeared before the Committee, Rev. H. F. Pease, J. C. Ockerhausen, J. R. Edwards and C. H. Fellows, with three of whom I had not the slightest acquaintance. With the Rev. H. F. Pease I had no acquaintance beyond the merest civility when we casually met in the Book Concern. I had never been in his company on any business matter, nor socially five minutes. Dr. Slicer, of Baltimore, questioned these men who had signed as to their personal knowledge concerning the matters referred to in the charges. Mr. Ockerhausen said: "I know nothing personally. I signed upon the representation of others." Messrs. Fellows and Edwards said the same; Rev. Mr. Pease said, "some things I know personally, others I know from report."

Dr. Slicer then asked Mr. Pease as to his personal knowledge of the matters referred to in the fourth specification of the "fifth charge," as follows:

> In this, that said Assistant Book Agent, during his term of office, occasioned losses and falling off in the business profits of the establishment by his aforesaid and unwarrantable and public imputations against the Book Concern, its management, and employees, and by his aforesaid unwarrantable refusal to contradict the said libelous article in the New York *Times*, and the damaging sanction he has given to the damaging imputations of that article.

The Chairman ruled the question out as irrelevant. He evidently did not want the fact brought out that Dr. Carlton was the informant of Mr. Pease. After the Committee had held

three sessions and entertained the charges, I was called. The chairman said, "I suppose you have been notified that charges have been preferred against you?" I answered that I had received no notice. He said, "Have you not received what purported to be charges?" I answered that I had. He then said, "They are the same." I asked him if he had sent them? He said he had not. He then asked me if I had anything to say about the charges I responded that I had nothing to say. I supposed he wanted to know whether I would plead "guilty, or not guilty." That, I believe, is the usual course of procedure in criminal courts, and the Committee was now acting under the advice of Lawyer Fancher.

The Committee remained in session a little more than three days, discussing resolutions in regard to my suspension and trial. At the same time they and their helpers were active in the use of varied means, resorting to both threats and persuasions, to get me to resign or promise that I would say nothing further about the frauds. They went so far as to induce Rev. Bishop Janes, resident in New York, and Rev. Dr. R. S. Foster, then President of Drew Seminary, and now one of the Bishops of the M. E. Church, resident in Boston, Mass., to call at my house during the meeting. Bishop Janes said: "The Committee want an excuse to adjourn and go home." I quickly responded, "They will get no excuse from me." He then remarked, that

Dr. Foster had a little paper which if I would sign, the Committee would adjourn the next morning and go home. I asked him if it admitted great frauds? He replied, that it said nothing about frauds. I then said, "I will not hear it read, and you can judge whether I will sign it." The good and timid Bishop then indulged in some earnest persuasion, telling me that the paper was of little consequence, and that my signing it would "give the Committee an excuse to leave the city, which would probably end the charges." Knowing as I did the greatness of the iniquities that had been committed in the Book Concern, and the scarcely less culpable guilt of the Book Committee, and some other officials in their attempts to cover up the frauds I had unearthed, and in their pitiless efforts to damage my reputation, and though my nervous system was much broken by what I had endured, I said to Bishop Janes and Dr. Foster, "If I know myself, I would be buried alive before I would sign any paper that does not declare that there have been great and long-continued frauds in the Book Concern." I then added, "If what I have said is not enough, I would consent to be blotted out of being rather than sign anything short of declaring great frauds." That ended the interview.

Those worthy and justly honored men did not understand that much manipulated Committee as well as I did. A written statement of the above interview, by my request, was read to

Bishop Foster, by Rev. Dr. Luther T. Townsend, September 4th, 1894, and Bishop Foster corroborated it. Thus without getting any "excuse" from me, the Committee of its own accord, adjourned the next morning to meet in Cincinnati 20th of October, after adopting the following scandalous paper:

Whereas, A bill of charges has been preferred against Dr. J. Lanahan, Assistant Book Agent of New York, upon notice of which and a proper call, the Book Committee convened, and whereas said charges have been duly authenticated before the Committee, with assurances that the parties complaining hold themselves responsible for their prosecution, therefore

Resolved, 1. That we, the Book Committee, do not feel at liberty to ignore said charges, or treat lightly complainants so responsible, or complaints of so grave a character.

2. That while we hold this view, and without expressing any opinion on the charges aforesaid, finding ourselves surrounded by many and great embarrassments, we deem it expedient to defer the consideration until our next annual meeting in October, unless emergencies arise which shall make more immediate attention to said charges imperative on the Committee.

3. That Dr. Carlton, Agent, be hereby instructed to exercise his authority as such in the management of the affairs of the Concern as far as he shall find it necessary to the safety and success of the business.

The following was also adopted:

Resolved, That we have unbounded confidence in Dr. Carlton, the principal Agent, and believe that he can take care of the interests of the Concern until such time as the exigencies of the Concern may make our interference absolutely necessary.

June 2d, 1870, the Christian Advocate said:

The complaints were too serious to be set aside as trivial, and the complainants too respectable to be denied a hear-

ing. The complaints were therefore entertained. Next it became necessary to bring the accused to trial.

Thus by the Committee, and the Chief Official organ of the Church, with my name at the head of it as one of its publishers, I was held up before the world five months as a presumptive criminal. The Advocate further said:

> The Committee also passed a resolution instructing Dr. Carlton, the Agent, to take full possession of the affairs of the Concern. The whole business of the establishment is in the hands of Dr. Carlton, and his authority is equal to all the demands of the case, so the Committee thought, and therefore they reminded the Agent in chief that they expected that he would use his prerogatives in a legitimate way, and to all requisite extents for the proper management of the affairs committed to him.

Was it at all strange that multitudes of the readers of the Advocate should have regarded me as a compound of knave and fool—vastly more of the former, however, than of the latter? The evident object was to make the Church and the public believe that I was endangering the very existence of the establishment and that "The Agent" was required to exert himself to counteract my destructive work; yet he was "The Agent," who, with the heads of the Printing and Bindery departments, the book-keeper and clerks, had made the publishing house of the Church the head-quarters of three immense oil companies. It is a significant and suggestive fact that the Book Committee and the official press, in all their misrepresentations and perversions, were as silent as the grave in regard

to those oil companies. Did they fear that if the Church got information of their existence, their denials of mismanagement and fraud would not be believed?

FOURTH MEETING OF THE GENERAL COMMITTEE.

1. LANAHAN'S TRIAL AND THE CONSPIRACY AGAINST THE EPISCOPACY.

October 20th, the Committee met at Cincinnati, Ohio, according to adjournment, in the Western Book Concern. From a skeleton copy of the official record, and my note book, I will give the narrative of this remarkable meeting, not much more remarkable, however, than others which had preceded it. There were thirteen members present. Rev. C. Brooks was elected Chairman, and I. S. Bingham, Secretary. Much formality was observed at this meeting; accordingly, "a Committee of two was appointed to conduct the President to the Chair," which they did. The rule of the former meeting was adopted, providing for secret sessions, and that no member should communicate any of its proceedings without the consent of the Committee. "On motion of B. F. Rawlings, the Committee agreed to hear from the Agents at New York. Dr. Carlton thereupon proceeded to make some verbal statements, and read by request a series of questions and answers, which had been prepared at the previous meeting of the Committee, at New

York." Said paper of questions and answers was signed, "Carlton and Lanahan, Agents." I stated that I had never heard of the questions, nor had I seen the paper to which my name was attached, and that I could not and would not be responsible for its statements, and requested that my name be erased from it. Dr. Carlton said, "I want to know if I must consult Dr. Lanahan about the reports I make?" I replied, "If my name is signed to your reports, I claim to know what they contain." The Secretary said "I addressed the questions to the Agents, and the document is properly signed. It is a legal document and from the proper authorities." I again protested against such a use of my name, and requested that my protest be entered upon the Committee's records. My request was rejected, and a majority acquiesced in the decision of the Secretary! Was the like ever heard of outside of the Spanish Inquisition? It was, however, in harmony with many other things done by the Committee. I greatly regret that when I got access to the Committee's records I did not find that remarkable paper of "questions and answers." Perhaps when I am in my grave, and the "lost or stolen records" are found, it may be produced and quoted to prove that I had retracted my charges of mismanagement and fraud, and united with the Senior Agent in a glowing account of the management of the Book Concern.

The Chairman announced that "A paper purporting to be Supplementary Charges against J.

Lanahan had been received, signed by H. F. Pease and others, which was laid upon the table." After some discussion about the Supplementary Charges, Rev. B. F. Rawlings presented the following:

In view of the representations made to the Book Committee at its session in May last, and at the present session, by H. F. Pease and others, (see document marked "A," Charges and Specifications), concerning the official conduct of Rev. J. Lanahan, Assistant Agent, at New York,

Resolved, That said Assistant Agent be and hereby is suspended from his position as such Assistant Agent.

Pending final action on the above, I was invited to make any communication I might desire. I replied that I did not deem it proper to make any reply to the charges at that time, and stated that I was aware of the object of the secret meetings they had held, with Dr. Carlton present, and myself excluded; that they had kept me held up before the world for five months as a presumptive criminal, and that I should be obliged to them if they would consummate their purpose, whatever it might be. I saw plainly that the plan was to keep the charges hanging over me indefinitely, and I, therefore, determined to force the issue.

A resolution was then offered by B. F. Rawlings, and adopted, to "order the main question without debate and on proper call. The vote was taken by yeas and nays. Yeas, C. S. Vancleve, I. S. Bingham, J. Irwin, J. F. Kennedy,

B. F. Rawlings, F. A. Blades, H. Bannister, C. Brooks and J. Rothweiler, nine. Nays, J. Pike, Henry Slicer, G. Maltby, L. M. Vernon, four." Messrs. Woodruff and Moore were absent.

January 12th, 1871, was fixed as the time for my trial, and all the Bishops were requested to be present. Several resolutions were adopted appointing all the preliminary arrangements, after which I presented the following:

Cincinnati, October 20, 1870.

To the Book Committee, now in session:

Brethren.—I respectfully ask authority from you to make such examination of the books and papers of the Book Concern at New York, as I may deem necessary for my defense. I also ask to be furnished with copies of such papers and records of the Committee as I may desire for the same purpose.

Yours very truly, JOHN LANAHAN.

My request, to my surprise, was promptly and unanimously granted without any restrictions, and I immediately started for my home in New York, congratulating myself that the scandalous charges that had hung over me five months had been brought down to a position where I could face them and their authors. When I got access to the Committee's records, I was astonished to find, that after I left they had reconsidered all the papers adopted in connection with my suspension, reshaped them, and then readopted them. The most significant change was the reconsideration of the frank and proper resolution giving me unrestricted authority to examine the books and papers preparatory to my defense,

and the substitution of the following amazing paper:

Resolved, That inasmuch as Dr. Lanahan has asked permission to make such examination of the account-books and papers of the Book Concern at New York, as may be necessary for his defense, we recognize the propriety of his request, and direct that Dr. Carlton, the Book Agent, at New York, afford such aids and facilities as Dr. Lanahan here asks for, consistent with the proper care and safety of the books of the Concern, provided that the books and papers shall not be removed from the building where they are ordinarily kept, and that the examination of them shall be made under the supervision of Mr. E. Grant, the principal book-keeper of the Concern, or some other competent and responsible person who may be designated by Dr. Carlton, to assist as above provided. And provided further, that when Dr. Lanahan shall specify any books or papers which he may need for the purpose above specified, Dr. Carlton shall cause a record of them to be made and proper receipts taken therefor.

I. S. BINGHAM, Sec. of Book Committee.

As if they had not sufficiently degraded me in my moral character by the above, they next proceeded to degrade me in my official position by attempting to revive a law that had been repealed many years before. The following is what they adopted:

It is the judgment of this Committee that the relation of Assistant Agent to the Agent is that which is expressed by the word "Assistant," and the Committee understand the term as defined by the Discipline of 1816—namely, "who shall act under the direction of the Agent."

The entire paragraph of 1816, containing the words, "an Assistant to act under his direction," was repealed in 1832, and the following among the rest substituted: "There shall be an Agent

or General Book-Steward, and an Assistant, who shall act as chief clerk, both of whom . . . . shall be chosen from among the travelling preachers."

In 1840, "the clause requiring the Assistant Agent to act as chief clerk was struck out" (see History of the Discipline, p. 314). In the journal of the General Conference, p. 119, this matter, as reported by the Committee on the Book Concern, is stated in these words:

> Your Committee recommend a change in the Discipline on page 180, section 8, part 2, paragraph 3, and in order thereto offer the following resolution:
> 22. Resolved, That the words "who shall act as chief clerk" be stricken out. This was adopted.

In 1844, the definition of the powers of the Agents took the form which it has retained ever since, to wit:

> The Agents shall have the authority to regulate the publications and all other parts of the business of the Concern, except what belongs to the editorial departments, as the state of the finances will admit and the demands may require.

This had been the law of the Church more than twenty-five years. But it must be kept in mind that the Committee claimed to be "the General Conference in its absence," and as such, could revive repealed laws and abolish new ones! The reader must not be shocked at such conduct. It is in harmony with all their proceedings. The question may be asked, what was the object of such strange action? Several answers might be given. One is that as the Subordinate or "Chief

Clerk" of the Senior Agent, I had no right to see the bank books, or know what use was made of the immense sums of money belonging to the Book Concern, and the other great connectional interests of the Methodist Episcopal Church.

One of two things is true, either they feared an examination or they thought they were dealing with a man too unreliable to be trusted with the books and papers, and over whom they must place every possible safeguard. It might have been thought the requirement that I should "specify any books or papers, and a record of them be made, and proper receipts be taken therefor," sufficient without placing "the principal book-keeper, E. Grant, (one of my subordinates) or some other competent and responsible person, designated by Dr. Carlton, to assist as above provided," to watch me. Grant was certainly the "responsible person" that Dr. Carlton would have chosen above all others, because he had just at that time been made specially zealous for the honor of the Senior Agent, by the latter having secretly added two thousand dollars to his salary. A further significant fact in this connection is, that when I applied to Dr. Carlton for the bank books, he positively refused to let me see them, notwithstanding all the above safeguards!

After receiving and entertaining new accusations against me, called "Supplementary Charges," the Committee adjourned to meet at the Book Concern, in New York, January 12th, 1871.

THE TRIAL COMMENCED.

The Committee met according to appointment at the Book Concern, 805 Broadway, New York, January 12th, 1871. All the members were present. Messrs. Pike and Slicer objected to the further employment of Rev. Alexander McLain as Stenographer, on the ground of his active partisanship, but their objection was overruled. Anticipating that the Committee would want to sit with closed doors, and not willing to trust Mr. McLain, I employed a stenographer. When he appeared, the question was asked, "What is that stranger doing in the room?" I answered: "He is my clerk." A member said to me that he would be excluded at the next meeting. I replied: "If that is done, I will issue an appeal to the public, I will not submit to any further star-chamber proceedings." The attempt was not made.

Bishops Janes, Simpson, Ames and Scott, were in the Bishops' room, waiting a notice to be present in their co-ordinate relation to the trial. The Committee wanted to sit with closed doors, and asked for the opinion of the Bishops, which they declined to give, stating that the Committee must settle that, and all such questions to suit themselves. Resolutions to sit with open doors were twice voted down. But the pressure of public opinion proved too strong, and the following was adopted:

Whereas, It has become evident to the Committee that Dr. Lanahan and his counsel wish to have a full report of

the testimony and of the action of the Committee given to the public;

Resolved, That responsible and accredited reporters for the leading daily papers of this city, for whom admittance may be asked by the proprietors, shall have permission to be present and report for their papers respectively the proceedings of this session of the Committee.

The following order of procedure was also adopted:

1. That gentlemen making charges against the Rev. Dr. Lanahan are requested to present testimony, following the order of the papers and specifications as signed and published.
2. That any person thus testifying may call to his assistance any minister or layman to corroborate his evidence.
3. That the Rev. Dr. Lanahan be allowed to reply to such charges.
4. That the Rev. Dr. Lanahan be allowed the same privilege of calling upon ministers and laymen as granted to the prosecution.
5. That witnesses introduced shall, when necessary, be cross-examined; and also that but one witness be allowed in the room at a time.

Reporters for the press were now admitted, and I give the proceedings as they were published in the New York papers, and from my note book.

The following communication from the Bishops was presented by their Secretary pro tem., Bishop Simpson:

To the Book Committee:

Dear Brethren.—In accordance with your request, dated November 1, 1870, we are here to be present at the investigation before the Book Committee touching the official conduct of Rev. John Lanahan, Assistant Book Agent at New York. This case being without precedent in our Church, and this being the first instance in which the Discipline of

the Church relating to it has been administered, we have deemed it proper to confer together as to our authority and duty in the case.

1. After consultation we are of opinion that we are not to act as an integral part of the Book Committee, but as a concurrent authority in determining the result of the investigation.

2. The Committee must conduct the investigation according to their own judgment. We hold, however, that, as a concurrent authority in the final determination of the case, we have a right to require such information as we may deem necessary to enable us to form an intelligent and just judgment.

3. As our official action is subject to review by the General Conference, to which body we are directly amenable, we deem it necessary to have a full and perfect record of our participation in the proceedings, that we may submit the same to that body. For this reason, and to aid us in our consultations when by ourselves, we have secured a Secretary to make for our use such a record.

EDMUND S. JANES, M. SIMPSON,
L. SCOTT, E. R. AMES.

New York, January 12, 1871.

The Bishops were wise in selecting their own stenographer. Counsel for the plaintiffs were E. L. Fancher, Esq., Gen. Theodore Runyon, of New Jersey and Rev. H. F. Pease. For the defendant, Judge G. G. Reynolds and Dr. James M. Buckley, Hon. Oliver Hoyt and John Elliot, Esq. It was apparent that the Committee expected the charges and specifications to be read, and then each taken up item by item. But I had prepared and printed my answers to each charge and specification in regular order, admitting or denying, and thus preventing the entanglements which often arise in trials. Thus, too, my accusers were given something to do. When

plaintiff's counsel commenced to read the charges and specifications, Judge Reynolds announced that he would read the answer to each in its order. Thus the two proceeded together as they are here given. I then furnished each member of the Committee a printed copy of my answers, and a more dumbfounded set of men I never saw than the majority. They had thought to get affairs into entanglement and confusion, and thus weary the Church and the public by endless discussion and enforced delay. This was defeated by my acknowledgment of certain of the charges, and indicated readiness to prove them, and their conscious inability to prove those which I denied.

Rev. J. F. Kennedy openly stated in the Committee, as "no secret, that Mr. E. L. Fancher wrote the charges." It was also an open secret that Dr. Carlton, with the approval and advice of certain members of the Committee, assisted him, and that S. J. Goodenough hawked them about in New York and New Jersey to get men to sign them, and that a majority of the signers did not read the paper to which they affixed their names! These facts would have been brought out in evidence if the trial had gone on.

The following are the charges and specifications, and my answer:

To the Book Committee, appointed by the General Conference of the Methodist Episcopal Church:

Charges and specifications against Rev. John Lanahan, D. D., Assistant Book Agent of the Methodist Book Concern.

CHARGE FIRST.

Official Misconduct and Malfeasance.

Specification 1. In this, that said Assistant Book Agent, during several months prior to September 21st, 1869, made to various persons, and particularly to Fletcher Harper, unfounded statements, imputing mismanagement, fraud, and corruption in the said Book Concern, and large losses therein, and injudiciously and recklessly gave currency to such imputations; by means whereof an article was published in the New York *Times* of September 21st, 1869, in which such alleged mismanagement, fraud, and corruption, and such large losses, and other untruthful imputations against said Book Concern, were publicly asserted, to the great damage of the interests of the Book Concern and the scandal of the Church.

JOHN LANAHAN'S ANSWER TO CHARGE FIRST.

Of Official Misconduct and Malfeasance.

Specification 1. I, the said John Lanahan, deny the allegations contained in specification 1, of charge first.

Specification 2. In this, that the said Assistant Agent, in the presence and hearing of divers persons, on the day of the publication of said article, which was false and libelous in every material respect, proclaimed that said article was all true, except in the statement of the amount of said losses.

Specification 2. I deny the allegations contained in specification 2, of charge first.

Specification 3. In this, that after the appearance of said article in the New York Times, and its damaging effects to the Church and Book Concern were foreseen, the said Assistant Agent willfully refused to unite with the principal Agent of said Book Concern in any official explanation or denial of the said article, unless the injurious charge that fraud and corruption existed in the Book Concern were again repeated or admitted.

Specification 3. I deny the allegations contained in specification 3, of charge first, as they are therein set forth. It is true, however, that after the appearance of the article in the New York *Times*, I refused to unite in a denial of any fraud or corruption in the Book Concern, but such

refusal was not "willful" on my part. There had been fraud and corruption in the management of the business of said Book Concern on the part of some of its employees, and I could not truthfully deny it.

Specification 4. In this, that the said Assistant Agent, knowing that the Book Agents, and Thomas Carlton, as Treasurer of the Missionary Society of the Methodist Episcopal Church, had large and frequent dealings with Brown Brothers & Co.; and knowing that the house of Brown Brothers & Co. was not indebted to the Book Concern, and that said house was, and is, one of the wealthiest in New York, willfully and maliciously represented, during 1869 or 1870, to one of its members, that said firm was published as defaulters on the books of the Methodist Book Concern.

Specification 4. I deny that I at any time represented to one of the firm of Brown Brothers & Co. that said firm were published as defaulters on the books of the Methodist Book Concern, as in that behalf charged against me in specification 4, of charge first.

It does, however, appear from the ledger of said Book Concern that said Brown Brothers & Co. are indebted to said Concern in the sum of $20,607.86 for moneys deposited, and that said indebtedness has been charged, as an uncollectible demand, to profit and loss account. Knowing the house of Brown Brothers & Co. to be of the highest responsibility and standing, I was unable to understand why such an entry should have been made, and I took occasion to ask one of said firm in regard to the transaction.

Specification 5. In this, that the said Assistant Agent during the time he has held his office, has stated that the affairs of said Book Concern were "in chaos;" when, at the same time, they were in good order.

Specification 5. I am charged, in specification 5, of charge first, with having "stated that the affairs of said Book Concern were in chaos." I have made such a statement, and I believe the same to be strictly true; and I deny so much of said specification 5 as charges that said affairs "were in good order" at the time, and no more.

And as evidence of the chaotic condition of said affairs, I aver and hold myself responsible and ready to prove that the system of book-keeping adopted by said Book Concern is an inferior system, incomplete and unsatisfac-

tory, and that the books as kept contain erasures, substitutions and charges highly improper, and such as would not be allowed by any respectable commercial house; that the profits of the Concern have been computed upon a fictitious basis; that the inventories of the property have been increased and diminished arbitrarily to suit the necessities of particular emergencies; that great discrepancies have existed between the printed exhibits furnished to the Church and the Books of said Concern, such printed exhibits in some instances showing a profit when the books show there was no profit but an actual loss; that errors have been improperly corrected, and that some still remain in the accounts uncorrected; that the capital stock of the Concern is not what it is represented to be upon the books of said Concern; that improper entries have been made in said books, whereby great and important transactions have been rendered unintelligible; that many important safeguards are systematically neglected—as a result of which a wide margin for frauds and errors exists, and important information is difficult or impossible to be accurately obtained; that said books of account do not show the real condition of the affairs of said Concern, nor can a correct statement of its assets or condition be made upon the basis of the information furnished by the said books and inventories.

Specification 6. In this, that the said Assistant Agent has, during his term of office, publicly proclaimed and frequently alleged that frauds and corruption had existed in said Book Concern, resulting in large losses; whereas there was no sufficient foundation for such unwarrantable charges, and no proper excuse for making any such public proclamation and allegation.

Specification 6. I deny the allegations contained in specification 6, of charge first, as the same are therein set forth.

It is true, however, that frauds, corruption and mismanagement had existed in said Book Concern, resulting in large losses, and I did not deny or attempt to conceal the fact.

In the single item of leather more than $25,000 worth was purchased during a period of twenty months, over and above what has been used, which has never been accounted for.

In the item of paper, a system of making purchases was

allowed and practiced, whereby a man having no legitimate connection with the Book Concern controlled the purchases to his own profit and to the loss and discredit of the Concern.

In the item of wages, proof of more than two hundred instances exist where a less amount was paid to operatives than was, or should have been, paid to them, or than was or should have been drawn for such payments, and less than was returned to the book-keeper as having been paid to such operatives.

Specification 7. In this, that the said Assistant Agent, during his term of office, has demeaned himself toward the principal Agent, Editors connected with said Book Concern, its employees, and others having business relations with it, in a violent, dogmatic, and angry manner, and has asserted his official authority in an unreasonable, unbusiness-like, and improper manner, to the interference with and detriment of the regular and proper business of the Concern.

Specification 7. I deny the allegations contained in specification 7, of charge first.

Specification 8. In this, that said Assistant Agent, during his term of office, has evinced a spirit of hostility toward the principal Book Agent, and a disposition not to coöperate with him in the orderly and proper management of the affairs of the Book Concern; and in this particular has publicly made petty and discreditable objections to matters connected with the business and book-keeping of said Concern; such as an entry on the books of the Concern of an item of $20,900, charged to profit and loss, and the guarantee of certain letters of credit for the Missionary Society of the Methodist Episcopal Church, South; the circumstances of which had been fully explained to him by the principal Agent, and in respect of which no motive of said Assistant Agent existed for divulging the matter, except to annoy said principal Agent, and to impute to him the supposed prejudicial charge of guaranteeing letters of credit for the Methodist Episcopal Church, South; and in this particular also, has improperly charged said principal Agent with not coöperating with him in discovering assumed frauds and losses; has sought counsel as to Book Concern affairs with persons outside of and inimical to the establishment, instead of advising with said principal Agent; has brought into the Concern, without the advice

or knowledge of the principal Agent, so-called experts and others to overhaul secretly its books, accounts, vouchers, and affairs; has made surreptitious reports to others of Book Concern matters that should have been treated as private matters belonging to the Agents, and not to be divulged without the assent of the principal Agent; has made injudicious bargains for ink, paper, and other materials, without consultation with the principal Agent; has given orders to clerks and employees not to pursue the orderly and customary modes of business without first consulting him and obtaining his consent; has spoken of and to said principal Agent in a contemptuous and improper manner, and has made a public speech before the Baltimore Annual Conference, containing injurious and untruthful assertions touching said principal Agent and the Book Concern.

Specification 8. I deny that I have "evinced a spirit of hostility towards the principal book Agent, or a disposition not to coöperate with him in the orderly and proper management of the affairs of the Book Concern," as charged upon me in specification 8, of charge first. And as to the particular matters set forth in said specification, in that behalf, I deny them as set forth. It is true, however, that I have made objections to matters connected with the business and book-keeping of said Concern, but not "petty" nor "discreditable" objections. I think the system of keeping the books should be changed, and various matters connected with the business have not commended themselves to my judgment, and I have stated my objections to the principal Agent for the purpose of inducing a reform. I did object to the manner in which an item of $20,900, charged to profit and loss, was entered upon the books, but not from the motives alleged in said specification 8, but for the following reasons:

1. Because the entry shows that Brown Brothers & Co. are indebted to the Book Concern for the said amount, which is not true.

2. Because the books did not disclose who the true debtor was.

3. Because notes had been given for said indebtedness by the real debtor, but such notes were not entered upon the books, nor did it appear therefrom that any notes had been given on account of such indebtedness.

4. Because $1,300 had been paid on one of said notes, but no entry of such payment was made on the books, nor was the money so collected accounted for on the books of the Concern.

For these reasons I considered said entry and omissions "more than improper."

It is also true that the said principal Agent has not coöperated with me in the examination of certain transactions and matters of the said Concern, after circumstances had shown to my satisfaction they were irregular and suspicious, and probably fraudulent. I did engage a person to assist me in examining the wages accounts, who was more expert in such matters than I was, but it was done in the interest of the Concern and not secretly. My Baltimore speech was not untruthful. The general statements of this specification which are not already answered, I deny.

CHARGE SECOND.

Neglect of Official Duty.

Specification 1. In this, that said Assistant Agent has during his term of office, spent large portions of his time, that should have been employed in his official duties, in matters that do not further the interests of the Book Concern; has neglected to attend Annual Conferences when the business of the establishment required that he should do so; and has been engaged in attempts to defame the said Concern, and to defend and aggrandize himself in respect of his late unfounded imputations against the Concern.

ANSWER TO CHARGE SECOND.

Of Neglect of Official Duty.

Specification 1. I deny the allegations contained in specification 1, of charge second.

CHARGE THIRD.

Untruthfulness, Irascibility, Slanderous Disposition, and other Objectionable Personal Characteristics which Unfit him for the Position of Assistant Book Agent.

Specification 1. In this, that said Assistant Agent untruthfully charged, during the session of the Book Commit-

tee in February, 1870, that there was a conspiracy among some of said Committee, headed by the Attorney of the Book Concern, against him, and has since then repeated said untruthful charge.

ANSWER TO CHARGE THIRD.

Specification 1. I did make the charge of conspiracy referred to in specification 1, of charge third, and I then believed and still believe the same to be true.

Specification 2. In this, that said Assistant Agent, in a speech before the Baltimore Annual Conference in March, 1870, untruthfully asserted as follows: "A few days after the Committee met, a message came from a lawyer, stating that he wanted to be present and hear the testimony read, taken at the previous investigation."

Specification 2. I did, in my Baltimore speech, make the assertion set forth in specification 2, of charge third, and I deny that said assertion was untruthful.

Specification 3. In this, that said Assistant Agent presented to said Book Committee, and also before said Baltimore Annual Conference, a letter written by him, dated January 31st, 1870, in which it is untruthfully asserted that Mr. Fancher had made an application to be present before said Committee; also containing the further untruthful allegation that Mr. Fancher had made himself a partisan, and had spoken strongly in public and private against him.

Specification 3. I have made the assertions set forth in specification 3, of charge third, and I deny that they are untruthful.

Specification 4. In this, that said Assistant Agent, in his aforesaid Baltimore speech, uttered the following untruthful and slanderous language:

"The lawyer thus admitted soon showed that he was there not so much to hear the testimony as to be the attorney for dishonest men who had been driven from the house, and the prosecutor of myself. Zealously did he apply himself to his work, and greatly did he seem disappointed when he saw the failure of his plans for my overthrow. I look back with wonder and horror upon these scenes—scenes in which official and unofficial persons, headed by a lawyer, labored and planned, day after day, to

shelter guilty men, who, for long years, had enriched themselves at the expense of the money and honor of the Book Concern, and to intimidate and overwhelm me, an officer of the Church, for no other offense than that of faithfulness to my duty.

Specification 4. I did utter the language set forth in specification 4, of charge third, but I deny that it was untruthful or slanderous.

Specification 5. In this, that the said Assistant Book Agent uttered the following untruthful and slanderous language in his said Baltimore speech:

"If the Committee had met alone, without any outside influence, and if there had been no combination, I think their conclusion would have been different; but such a pressure, such a coming of men, and such a meeting of influences, I never saw. Men having no responsibility in the matter; men advising, pushing, lecturing, commanding, threatening, and planning, until an influence was started that looked more like my trial than the investigation of facts. I was catechised as if I were a thief, and treated as if I were a felon."

Specification 5. I did utter the language set forth in specification 5, of charge third, but I deny that it was untruthful or slanderous.

Specification 6. In this, that the said Assistant Agent made other untruthful and slanderous utterances in his said Baltimore speech; and, taken as a whole, the said speech is a disgraceful and abominable aspersion of the Book Committee, of the private character of reputable persons, and of the Methodist Book Concern.

Specification 6. I deny the allegations contained in specification 6, of charge third.

Specification 7. In this, that said Assistant Book Agent has frequently, during his term of office, charged S. J. Goodenough, who for many years was Superintendent of the Printing Department of said Book Concern, and all that time a member of the Church in good standing, with abominable crimes, calling him "that villain," a "thief," a "robber," and charging that he had stolen from the Book Concern thousands of dollars; whereas such charges were false.

Specification 7. I deny the allegations contained in specification 7, of charge third. This specification is a misrep-

resentation of my charges against Mr. Goodenough, which charges I believe to be true and capable of proof.

Specification 8. In this, that during his term of office the said Assistant Agent, without cause or provocation, peremptorily ordered the Recording Secretary of the Board of Managers of the Missionary Society of the Methodist Episcopal Church never to come into the office of said Book Agents; in which office said Secretary has proper occasion frequently to be in relation to the affairs of said Missionary Society.

Specification 8. I deny the allegations contained in specification 8, of charge third.

Specification 9. In this, that during his term of office, the said Assistant Agent has improperly ordered that books, pamphlets, etc., intended for the editorial department of the Sunday-school publications of the Church should not be sent to the room of the editor-in-chief, as has always been usual, but should remain with said Assistant Agent, and has grossly interfered with the prerogatives of said editor-in-chief in respect thereof, and maintained his right to do so in arbitrary and insulting language.*

Specification 9. I deny the allegation contained in specification 9, of charge third.

CHARGE FOURTH.

Insubordination to his Official Superiors, the Book Committee, and Violation of His Pledges to Them.

Specification 1. In this, that said Assistant Agent, during the session of the Book Committee in February, 1870, and while the Committee were investigating the official conduct of said Assistant Agent, and his acts and declarations respecting the affairs of said Book Concern, made conciliatory pledges to them to the effect that, in his future conduct as such Assistant Agent, he would coöperate with the principal Agent in furthering the interests of the Book Concern, and would not further agitate the matters of the alleged frauds and losses of the Concern, or depart from the line of conduct in respect of those matters determined upon

* The investigation of "Specification 8" would have shown how regular invoices of books received from the "London Tract Society," England, were disposed of, the Concern receiving no benefit, except from a few of them which we republished.

by said Committee; whereas, immediately on the adjournment of the Committee, the said Assistant Book Agent set about the repetition, printing, and dissemination of the same charges of alleged frauds and losses in the said Book Concern, and the same reproaches on its management which had been examined by the Committee, and decided by them to be unfounded.

ANSWER TO CHARGE FOURTH.

Specification 1. I deny the allegations contained in specification 1, of charge fourth.

Specification 2. In this, that the said Assistant Book Agent, by the publication and dissemination of a paper called "Statement to the Book Committee," signed J. Lanahan, and otherwise, has reaffirmed and republished such unfounded charges, and thereby has fomented and increased public excitement and clamor against said Book Concern, in express violation of his aforesaid pledges, and in contempt of the authority of said Book Committee, to the injury of said Book Concern, and to the scandal of the Church, whose institution is thus unwarrantably assailed.

Specification 2. I deny the allegations contained in specification 2, of charge fourth, as the same are therein set forth. The "Statement" referred to was not published in violation of any pledge, but was published during the session of said Book Committee, and furnished to said committee in a printed form for their convenience.

Specification 3. In this, that said Assistant Agent has refused, and continues to refuse, to submit to the advice, decision, and judgment of the said Book Committee; arraigns their motives, resists their authority and judgment, and continues to make utterances of a disrespectful and insubordinate character, in relation to the said Book Committee and its proper and official acts relative to the affairs of said Book Concern.

Specification 3. I deny the allegations contained in specification 3, of charge 4, as set forth. I have aimed to treat the committee with respect. The course I have pursued has been dictated by a due regard to the interests of the Church, the Book Concern and the truth; and I am confident will so appear upon examination.

CHARGE FIFTH.

Want of Business Qualifications and Capacity for the Proper Discharge of His Official Duties as Such Assistant Book Agent.

Specification 1. In this, that said Assistant Book Agent, during his term of office, has improperly assumed that large losses have befallen the said Book Concern from the fraud and corruption of its employees, or some of them; and has made repeated, and public, and continuous charges of that nature, to the injury of the business of the Concern, and the scandal of the Church; whereas, there was never any sufficient ground for such imputations, nor any proper excuse for the public promulgation of such charges.

ANSWER TO CHARGE FIFTH.

Specification 1. I deny the allegations contained in specification 1, of charge fifth; and for a further answer I here re-affirm the matters already set forth in my answer to specification 6, of charge first. (Page 144.)

Specification 2. In this, that the said Assistant Book Agent, during his term of office, has made purchases of inferior printing ink, and caused the same improperly to be used in the printing of Church papers and publications, to the detriment of the business and reputation of said Book Concern.

Specification 2. I deny the allegations contained in specification 2, of charge fifth. The charge will be found too frivolous for serious consideration.

Specification 3. In this, that said Assistant Book Agent has, during his term of office, made improper and unbusiness-like purchases of printing paper for said Book Concern, to its pecuniary injury and the injury of its reputation.

Specification 3. I deny the allegations set forth in specification 3, of charge fifth.

Specification 4. In this, that said Assistant Book Agent has, during his term of office, occasioned losses and a falling off in the business and profits of the establishment, by his aforesaid unwarrantable and public imputations against said Book Concern, its management and employees, and by his aforesaid unwarrantable refusal to contradict the

said libelous article in the New York *Times*, and the sanction he has given to the damaging imputations of that article.

Specification 4. I deny the allegations set forth in specification 4, of charge fifth.

Specification 5. In this, that the said Assistant Book Agent, in the particulars aforesaid, also in his demeanor toward friends of said Book Concern, and in his conduct and proceedings in respect of the publishing business of the Church, and the reputation of the Book Concern, has evinced, and continues to evince, a want of adaptability and fitness for his official duties as Assistant Agent of the Book Concern, and a want of proper personal interest in its welfare.

Specification 6. In this, that said Assistant Book Agent is generally deficient in business tact, qualification, and capacity, for the proper discharge of his official duties in said Book Concern.

For which sufficient causes, it is "necessary for the interests of the Church and the Concern," that the said John Lanahan should be suspended, and removed from his official relation to said Methodist Book Concern, as such Assistant Agent.

Specification 5 and Specification 6. As to the allegations contained in specifications 5 and 6, of charge fifth, I decline to make any answer until proof of the alleged incompetency has been furnished.

New York, April, 1870.

We, the undersigned, respectfully request the Book Committee to convene and take action on the above charges and specifications as soon as practicable. (The names of the signers were given in the call for the third meeting, see page 123.)

Rev. John Lanahan:

Dear Sir.—The foregoing is a copy of one of the documents alluded to in the inclosed notification, and described as marked A 1.

I. S. BINGHAM, Sec. of Book Committee.

The above array of names, charges and specifications having failed to bring me into subordina-

tion to the plans of my persecutors, five months after their presentation, the following "Supplementary Charges" were secretly gotten up and presented:

SUPPLEMENTAL CHARGE AND SPECIFICATIONS.

To the Book Committee appointed by the General Conference of the M. E. Church:

In addition to the charges and specifications heretofore made against Rev. John Lanahan, Assistant Book Agent, the undersigned hereby make and present the following supplemental charge and specifications against said Assistant Agent, to wit:

CHARGE.

Incompetency.

Specification 1. In or about the month of January, 1870, said Assistant Agent, without consultation with the principal Agent, and without the knowledge and consent of said principal Agent, ordered a large quantity of printed sheet-stock, belonging to the Methodist Book Concern, and of one or more books, belonging to others, to be sold and disposed of as waste paper with paper shavings; included in which were numerous printed sheets of salable and standard works of much value, and some of which are in current demand for sale at said Book Concern; the total value of which, estimated at sales prices, exceeded thirty thousand dollars. By which incompetent and improvident conduct, said Assistant Agent has subjected said Book Concern to large loss and damage; has rendered the same liable to one of the owners of said books for his damages, occasioned by such improper destruction thereof; and has subjected the said Book Concern to a continuous and irreparable detriment, for the want of a supply of said works thus improperly destroyed.

Specification 2. Whereas, it has been the practice, when any sheet-stock or printed works belonging to the Methodist Book Concern were to be disposed of as waste paper, to make previous careful inquiry into the question of the

value and prospects of sale of the same; and also, before ordering such disposition of any sheet-stock or printed books of said Book Concern, to take the judgment and advice of the principal Agent, the editors, the salesmen, and the foreman of the printing and bindery departments of the Concern; but the said Assistant Agent, ignoring such proper practice and advice, and resting the determination of such important question upon his own improvident and incompetent judgment, caused a large quantity of the sheet-stock of said Book Concern to be destroyed, by ordering the same sold for waste paper, as particularly mentioned in the aforegoing specification, to the great loss and inconvenience of said Book Concern, and to the discredit of its management.

Dated, New York, October 24, 1870.

(Signed) H. F. PEASE,
J. O. HOYT,
GEORGE LANSING TAYLOR,
JOHN H. OCKERSHAUSEN,
J. R. EDWARDS.

A true copy.

I. S. BINGHAM, Sec. of Book Committee.

ANSWER TO THE CHARGE OF INCOMPETENCY.

In answer to the first and second specifications of the "Supplemental charge," I deny them both as set forth.

The facts in brief are these:

After frequent consultations between the principal agent and myself in regard to renting the building in which the sheet stock is kept, he suggested that there was a large amount of dead stock therein that ought to be disposed of, and advised that I attend to it. Accordingly, I requested the Superintendent of the Bindery to examine and select said stock with care and dispose of the same, which he did subsequently, making a proper report, which was duly entered on the books of the house.

The value of this dead stock is grossly exaggerated, and the statements contained in the specifications convey a false impression.

Dated, New York, January 12, 1871.

JOHN LANAHAN.

By way of further emphasizing the absolute unfairness and injustice of the Committee's proceedings, I may here call attention to the fact that in all civilized tribunals before which charges are preferred, it is required that the accused be given formal notice, and be furnished a copy of the charges. In the former case, as I have stated, the charges came to me anonymously, through the mail, from whom I never learned. But in this case, my first information was the announcement of the "Supplementary Charges" by the Chairman, and the reading of them by the Secretary to the Committee! Perhaps this sudden affair was intended as a surprise, especially as the meeting was held at Cincinnati, far off from my sources of information. If so, it was abortive. Such had been the conduct and methods of the Committee, that no action of theirs could surprise me. I immediately telegraphed to New York, and by mail received a copy of a paper on file in the Printing Department, in the handwriting of S. J. Goodenough, dated January, 1868, showing that the "dead stock" had been listed "condemned" four months before my connection with the Book Concern. A portion of the stock that had been so marked, I refused to allow to be sold. Of it, I distinctly recall the works of Rev. Dr. Jabez Bunting, a fraternal delegate from the Wesleyan Conference, England, to the General Conference of the Methodist Episcopal Church several years before.

I also cited as evidence of the great reck-

lessness in the printing of unsalable books, the statement of the Agents in their report to the General Conference a few years before, that they had sold at one time "forty-seven tons of dead stock, at $55 per ton; also a large quantity of bound books." The Committee, however, entertained the supplementary charges, and would no doubt have done so, even if I had shown that there had been no dead stock sold, or that Dr. Carlton or Goodenough had sold it, and invested the money in one or more of their numerous oil wells.

After the charges, specifications and answers were read, Rev. Bishop Janes appeared before the Committee, and presented the following:

To the Book Committee of the Methodist Episcopal Church:

Dear Brothers.—In our relations to the Book Committee we desire to act on all questions with the utmost frankness and courtesy. Heretofore we have not been consulted by your body as to the questions involved in this investigation. Of this we do not complain; but it seems to us a point has now been reached when courtesy to the Committee, as well as a due regard to our own responsibilities in the premises, require us to make the following statement:

1. In meeting with the Book Committee at their request to act concurrently with them in this investigation, we must not be understood as sharing in any sense or to any extent the responsibility of receiving or entertaining charges against an Editor or Agent, prepared or presented as these have been. Yet, as these charges have been received or entertained by the Committee, we consider it to be a duty to proceed with them in the investigation.

2. We cannot act as a concurrent authority in any investigation, except as to the official conduct of our Editor or Agent.

The Agents and the Editors, if travelling preachers, are amenable for their moral and ministerial conduct to the

same ecclesiastical authority as are other ministers of the Church. They are members of Annual Conferences and are officially connected with quarterly conferences, and are thus placed under the jurisdiction of the presiding elder in the interval of the Annual Conferences. As Bishops we cannot consider and give official decisions upon such matters as come properly under the jurisdiction of Annual Conferences when in session, or of presiding elders in the interval of said Conference.

3. It has long been a rule in our judicial administration not to allow third parties to prefer charges of slander or of slanderous utterances, and this administration has never been excepted to by the General Conference. We must abide by this rule in this investigation, so far as we are concerned.

4. We do not judge it proper for us to consider the general fitness or unfitness for the office of any man appointed by the General Conference as editor or agent, unless the cause of such alleged unfitness has occurred since his election. As provided in the Discipline, we may, in given contingencies, pass upon official conduct, but not upon general fitness for office, except as above.

E. S. JANES, M. SIMPSON,
L. SCOTT, E. R. AMES.

The presentation of the above was followed by much discussion. Some of the Committee advocating a change of the charges and specifications, the minority insisting that they had no right to change them after the trial had commenced. By a majority vote it was decided that they had the right. In all their previous meetings they had acted upon the principle that they had a right to do as they pleased, because they were the Book Committee. And why relinquish that right now, when a crisis had come, not to the accused victim of their persecution, but to themselves?

They saw that something more important to themselves than the Book Concern was in danger, and that ordinary rules and principles however well established must be pushed aside.

Another annoyance came, when Dr. Buckley inquired, whether Rev. George Taylor's name remained annexed to the charges, and read the following letter, which had been addressed to the prisoner at the bar:

To the Rev. J. Lanahan, D. D.:

My Dear Sir.—I feel I owe you a correct statement of the occasion of my name appearing on the paper presented to the Book Committee. I had no knowledge of the Book Room affairs, and took no interest in them more than people who read our public papers. I learned from these that a controversy was going on respecting the policy pursued by former officials, and that it was exceedingly desirable that peace should be restored as soon as possible. I was requested at the Book Room to sign a paper which was said to have been gotten up by a layman who seemed to have the desire to have things settled, and to think that your policy was an injury to the Book Concern; that the Committee ought to be called together to make a complete arrangement and settlement of matters, and that a few names only were necessary to accomplish this. The paper was read, and without the deliberation necessary on such an occasion, I hastily signed it—signed it without malice or ill-feeling, and with the idea it was to be a peace-measure. I trusted to the judgment of others, without examining the contents and forming a personal judgment about it; that is, I signed it because it was requested, and supposed it would ultimate in good for all concerned. Since then, I found I was mistaken. In conversing with Dr. Whedon, and other persons, who know more about these things than I do, I ascertained that my judgment was misled. I learned that your policy resulted in an improved standard of literature; that you were gentlemanly in bearing, and more than this, that the only possible way to settle matters at present would be by an appeal to the

civil courts, where you could compel the attendance of witnesses, and such a course you desired.

If I had known these things, I should never have signed the paper. If I had suspected an evil animus prompting the getting up of the paper, I should not have signed it. I did, without taking the time to canvass the merits of the case, what I feel I ought not to have done, but I have expressed no judgment of the case to any one, and intend to do all I can to make the paper in the hands of the Court a dead letter, and to oppose any further action on the subject, and thus undo what I have done, if within the range of possibility. I voted for you at the General Conference, and expressed a friendly welcome when you came here, and have never had any reason not to continue friendly. I hope you will be divinely guided through all your tribulations, and may you enjoy the peace of God.

I hope you will accept this explanation of the circumstances of my signing the paper as a sincere statement. and rest assured of my regret, and of my good feeling toward you. Ever yours, in friendly regard,

GEORGE TAYLOR.

Flushing, L. I., June 4th, 1870.

Dr. Buckley further annoyed the Committee by requesting that the signers of the charges be required to appear to be questioned as to their knowledge of the matters involved, and said: "Seventeen ministers and laymen signed the charges, and I will prove by eight of them that they had never read the paper they had signed."

Dr. Henry Slicer said, "The persons who signed the charges know nothing about the subject matter. They were asked to put their names upon a paper, and did so, as a certain kind of people might do to hang a respectable individual, without knowing anything of the motives of the persons requesting them to sign. They might have gotten seventeen hundred signers.

I now move, sir, that the signers of these charges be required to appear here to be questioned." The Chairman decided that he had no authority to send for the signers, and the Committee sustained his decision.

Dr. Buckley renewed his request, and said:

It is a flagrant violation of the discipline, which requires that accusers and accused be brought face to face. I will undertake to prove that there are not three of them who know anything about the affair. I will undertake to prove that four of them would be as willing to sign a bill of charges against Dr. Carlton as against Dr. Lanahan; that a deliberate plan was arranged to secure these signers, and that they signed in response to a request, and that this thing was never investigated by the Committee, but with remarkable rapidity they accepted these statements, allowing them to come by a president and secretary without ever taking the pains to inquire whether a large majority of the signers instructed these persons to represent them or whether they acted unanimously. We will undertake to prove further that if these men are brought here, several will be found who will say that they were made fools of. We will prove that they have said it to responsible persons. We want to know why they have brought these allegations. We ask that, before the investigation proceeds, the signers of this bill of charges be brought before us that we may know why they signed it. We claim it as a reasonable request.

Further objections were made and Rev. F. A. Blades, Chairman of the Committee, said:

The signers of the charges have appointed their Chairman and Secretary to appear, and as they have appeared before the Committee, that is sufficient.

Mr. Buckley pressed his point again. He said:

Mr. Chairman, we will make our request in due form. There seems to be a misunderstanding as to what we want.

I wish, sir, that we—not the Committee—may meet our accusers face to face. We are not content to have a secretary and chairman of some committee that met—we cannot tell where or under what circumstances—and were wrought upon by influences we know not what—come and say that they were authorized to represent the prosecutors. It has been intimated by the Secretary of this Committee that Dr. Lanahan might have refused to come here. I think if Dr. Lanahan had not come here it would only be right to take his absence as prima facie evidence of guilt. We ask to meet these men. We have met them in private, and some of them apologized to us. They have said they did not know what they were about. Some of them say they would have just as soon charged Dr. Carlton. We do not wish to delay this investigation, but we consider this a reasonable request—that all the signers of this bill of charges be requested to appear here as soon as possible. We shall see how many of them will come.

The Secretary declared that he would resign rather than sign such an order as Dr. Buckley requested. The Chairman again ruled out the request and a majority sustained the ruling.

Civilization, to say nothing of Christianity and the law of the Methodist Episcopal Church, requires that accusers and accused be brought face to face. But the Book Committee were superior to all authority and usage, civil and ecclesiastical, and in all cases ruled to protect themselves from the exposure impending and the accomplishment of the object for which they had met—namely to get me out of the way.

After some further discussion, the order of the day was, on motion, resumed.

Mr. Fancher, for the prosecution, offered in evidence a copy of the New York *Times*, Septem-

ber 21st, 1869, containing an article on the alleged frauds in the Book Concern.

Judge Reynolds.—I object. This is entirely out of the usual course of testimony. You must first show that Dr. Lanahan was responsible for the article in the *Times*.

The Chairman ruled the objection out and the *Times* was admitted, but not referred to afterward.

Dr. Curry, Editor of the Christian Advocate, was called by the prosecution, and before his cross-examination was ended the Committee sought their usual resort—secret session. It became apparent that they saw they were about to be shamefully exposed and humiliated. When they resumed open session they ordered the stoppage of taking testimony, and sought shelter under quibbles about the Bishops' paper. The time to have done that was on the presentation of the paper, but they had been so accustomed to disregard order, propriety, right and justice, every thing—that they felt free to do what they thought would best serve their purpose, which was to shield themselves from exposure by getting the Assistant Agent out of the Book Concern. His assistance had been of a disagreeable kind, and that had made him a disagreeable character. Rev. J. H. Moore led off against the Bishops. The result shows how completely their quibbles were exposed:

Mr. Moore said:—There is one statement which I wish to contradict, and that is, that the Bishops have never been

consulted with regard to this trial. It may be truthfully declared that, officially, the Committee has not consulted with the Bishops in the course which it has seen fit to pursue in the charges against Dr. Lanahan; but the Bishops have been privately consulted by members individually in their efforts to subserve the interests of the Book Concern. These troubles came under our knowledge as guardians of the Book Concern, and in the interests of the Church, we investigated the charges preferred by Dr. Lanahan. Charges were subsequently made against Dr. Lanahan, and in our official capacity, we decided that the Assistant Book Agent should be suspended from office. For the first time, the Bishops are now officially called upon to act as a concurrent authority, but they have frequently been consulted privately by members of the Committee, and have given counsel in this matter.

Bishop Simpson.—Do I understand my friend to say that the Bishops have been consulted previously in this case? I understand him to say that they had been consulted. All I have to say is that I have not been consulted; my colleagues can answer for themselves.

Bishop Scott.—I have never, in a single instance; not a single word has been said to me.

Bishop Ames.—To the best of my recollection, I have never been consulted in any instance.

Bishop Janes.—The language of Mr. Moore that we have been consulted about these Book Room troubles, in my judgment, is wholly inappropriate to our paper. Our paper refers simply to this investigation. On this subject I say I have not been consulted. I spoke to two of the members of the Committee, and expressed to those members my opinion of some of those charges—that they did not come under the jurisdiction of the Committee. Mr. Moore was one, and the chairman was the other. That is the consultation so far as I am concerned.

Mr. Moore.—I had no reference to the present position of things as to the arrest and charges preferred against Dr. Lanahan. I meant simply to declare that members of the Committee had entertained so much confidence in the Bishops that they would not for a moment hesitate to confer with them in reference to any prudential measure connected with the troubles of the Book Concern. I did not for a moment wish to be understood that in any injudicious

manner the Bishops had been tampered with. I now say that the Committee never was under any obligation to consult the Bishops until they had determined to arrest Dr. Lanahan, and had determined to inform them in pursuance of the law of the Church. I only wished to say that this Committee felt no disposition to stand aloof from the Bishops or to conceal anything from them.

Bishop Janes.—We said in the paper that we had not been consulted by your body as to the questions involved in the investigations; we have been consulted in the general interests of the Book Concern; I was so consulted quite as much as I desired to be. In regard to the manner of this trial the Bishops have never felt that the Committee was under any obligations to consult with them; we do not complain of it—we never have complained of it—but we simply have expressed the rule which we think must govern us; we waited until the charges had been read and responded to, and the counsel representing the prosecutors rose to make his opening speech, and we felt that then was the time to state to the Committee, not what should govern them, but what must govern us.

Mr. Woodruff.—I am under the impression that this investigation may now go on. The Book Committee have the charge of this investigation; the Bishops are the concurrent authority. It is nothing to us what they do. They must act for themselves, and on their own responsibility. We have our duty, and must be answerable for ourselves—though I think that the Committee have the right to feel sensitive at any seeming public condemnation at this stage of the proceedings, and therefore I think the inquiries of Mr. Moore are pertinent.

Bishop Janes.—The Bishops in executive session presented a paper showing what they considered to be their privileges. A question was asked of us about the open doors, and that was the only question submitted to us. If the Committee accept our statement, all right; if they do not, we cannot help it. We have no sensitiveness; we intend calmly, and in the fear of God, to meet our responsibilities, and whether we are complained of by the Committee or not.

The Secretary.—The Committee have not complained of the paper presented by the Bishops. On the first day of the session, we called an executive session, with a view of

consulting the Bishops officially, and we did consult with them on the very first question. We wanted their counsel, but they refused to give it. I regret any seeming condemnation of our procedure.

Bishop Simpson replied: Whatever may have been in the past, the Bishops and the Book Committee never had any coördinate legal relation until the Bishops received a note from the Book Committee requesting them to be here. Then commenced their relations in this investigation. In obedience to that note, the Bishops who are present came. The Bishops thought proper to communicate to the Committee the part they understood themselves entitled to take in this investigation. They are not part of the Committee, and have no voice in the rules of order; but they had a right to ask for any information to enable them to form a correct judgment. Up to the reading of the document in this Committee, the Bishops, as a body—I, myself, for one—had never seen the charges. They find that some of the specifications were couched in language which they doubted the admissibility of. They thought it was their duty to say to the Committee how far they considered themselves authorized to go. Had that bill of charges been submitted to the Bishops in executive session, and they had been asked how far they could sit, they would have much preferred to give the Committee alone their opinion. But they never were presented to them. They never had seen them as a whole until they were presented here; and they thought it was a duty to the Committee and to themselves, under their responsibility to the General Conference, to state that they could not go into the investigation of moral character. Now, whatever the Committee may think of the wisdom or unwisdom of this course, the Bishops hold that they are at liberty only to do the work which the General Conference gives them to do. If the Bishops had allowed the Committee to proceed for days with this investigation, and then said, "We do not think these things come within our prerogative," then the Committee would have had a right to complain, and say: "Why didn't you say this before?" We presented that paper the first time we could. I do not believe that it was anything but kind feeling toward the Committee on the part of the Bishops.

From the above it is apparent that the Committee wanted the Bishops to have carried on a kind of hugger-mugger with them, just as they, at their previous meetings had hugger-muggered with the official editors, the Senior Agent, the Agents of the Western Book Concern, and Mr. E. L. Fancher, all of whom were bent on forcing me out of the Book Concern, regardless of the means employed. When was it ever heard that a court of last resort hugger-muggered with a lower court to keep it from blundering, or help it commit crimes? I greatly preferred that the trial should go on as it was proceeding, or as the charges might be "amended"—anything—for I was prepared to scatter them and their authors, as chaff before the wind, and they evidently realized it.

The Committee was now on trial instead of "the accused." They saw that the testimony would reveal to the Church and the public a state of things which they could not under any circumstances allow to be exposed, and to get out of the net of their own weaving they again betook themselves to their favorite resort —secret session—from which reporters for the press and the public were excluded. It was the spectacle of a tribunal that united in itself the prerogatives of judge and jury in the midst of a trial, stopping proceedings to hold secret consultations affecting the accused, and he not allowed to be present! Outside the Spanish Inquisition, I judge the like was never heard of

before—among civilized people at least. But, as I have said, the Committee was now on trial, and were thus forced by the circumstances of their extraordinary position, to do extraordinary things. I made no objection; it would have been useless to have done so, but calmly awaited their return to publicity, prepared to meet any new turn they might give to the pending issue.

They remained in their hiding place three days planning a way of escape for themselves. During those days propositions were sent to me for "a settlement of the difficulties." Among them the withdrawal of the charges and the abandonment of the suit by Goodenough, to which I made but one reply: "The trial must go on or an honest examination of my charges must be had." To get that I was willing to endure any amount of injustice. Finally, during secret session, the Committee, without any assent from me, decided to withdraw the charges; abandon the trial; reinstate me in my office; and order the examination which I demanded—all of which was an open confession of their guilt, and that they, not the signers, controlled the charges! Accordingly, when public session was resumed, the following was presented and adopted:

Resolved, That all questions of business arrangements and methods in the Book Concern be referred to a subcommittee of three members of this General Committee, and Rev. Bishop Scott, which committee shall have power to call to their aid such accountants as they may deem necessary, and that the decisions of all questions of law which may arise, and also of the approval of the selection

of accountants, be referred to Rev. Bishop Scott and E. L. Fancher, and Hon. G. G. Reynolds. This sub-committee make their report to the General Committee at their annual meeting in February, 1872, so that the matter referred to, with all necessary information, may be presented by the Committee in their quadrennial report to the General Conference of 1872.

(For the action of this Sub-committee, see next Chapter.)

Immediately upon the adoption of the above, on motion of Rev. L. M. Vernon, the following was adopted:

Resolved, That Dr. Lanahan's suspension ceased on the adoption of the foregoing resolution, and that he continues in the full exercise of his office.

I had instructed my counsel not to withdraw my answer unless the charges were unqualifiedly withdrawn, and to put the withdrawal in writing to prevent misrepresentation by the Committee, and the Christian Advocate. The following is given as reported in the New York papers:

Mr. Fancher, senior counsel for the complainants, offered to withdraw the charges on condition that the answers to them be withdrawn. Judge Reynolds, counsel for the defense, replied: "The answers cannot be withdrawn while the charges or allegations stand against them." Whereupon Mr. Fancher said: "I will not stand upon technicality, but will lead in the matter and withdraw the charges."

Judge Reynolds then read the following response:

The charges and specifications against Dr. Lanahan having been withdrawn, I am now authorized by him to

withdraw the answer to the same. This must be distinctly understood to be by no agreement or preconcert, but it is in consequence of the voluntary withdrawal of the charges and specifications.

GEORGE G. REYNOLDS.

Three members of the majority presented a protest against the withdrawal of the charges, and assigned the following reasons:

1. Because, having received and entertained the charges, and cited the party concerned to appear, and who accordingly is present, and prepared and willing to proceed, and because the investigation has already commenced, the charges having been read and responded to, we know of no sufficient cause for such suspension.
2. Because we are satisfied that the Church expects, and has a right to demand, such investigation at our hands, and will be satisfied with nothing less.
3. Because we cannot consent to place ourselves before the community in a light subjecting us, with apparent cause, to the charge of covering up and concealing wrong.

"Covering up and concealing wrong" had been practiced from the beginning, and those protestants had been active participants in it, but they were not of the managing members, and seemed not to realize the impending humiliation which awaited themselves and their associates if the trial had gone on.

At the close of the trial, I received the following letter from a prominent lawyer and honored member of the Methodist Episcopal Church, whose knowledge of the case was gotten from the published proceedings. I have never met him, but when I determined to publish this narrative, upon application, he promptly gave per-

mission to include his letter. It shows how fully the merits of the case were comprehended by an outsider:

JAMES F. RUSLING,
Counsellor-at-Law,
Office 18 East State Street,

Trenton, N. J., January 23d, 1871.

Rev. Dr. Lanahan:

My Dear Sir and Brother.—If it is not too late, pray allow me to congratulate you on your restoration again to duty. A complainant arraigned by the complained of—an accuser on trial by the accused—a prosecutor of the pleas prosecuted by the criminal at the bar—was a spectacle to make both men and angels shudder! But now that this hideous mockery of both law and justice has collapsed, I don't know which to wonder at most—the essential wickedness of the Committee, or its fatuity. The Bishops behaved nobly, and they deserve the thanks of the Church and of the world, for their pure and unadulterated good sense. Meanwhile, I rejoice, that a trustworthy commission has been created to take up your investigation and probe the Concern to the bottom. If there is not something "rotten" in that "State of Denmark," then the Book Committee are void of common sense. Supposing the Concern to be "fishy," they have acted now just as they would have acted then. I am glad you have stood firm, and God has vindicated you—He always will, when we stand to our [redacted]

Rejoicing with you every way, and bidding you "God-speed," I remain,

Very truly, JAS. F. RUSLING.

The following editorial, from the pen of that eminent Presbyterian Divine, Dr. Irenaeus Prime, in the New York *Observer*, January 26th, 1871, further shows the estimate of the case by unprejudiced minds without:

This case has become one of public interest, and one in which the interests of the public, and especially of the

whole Christian Church are concerned. The public demand —and they have a right to demand in the name of common honesty, and the whole Church demands in the name of our common Christianity—that a thorough, impartial investigation of the original charges against the management of the Methodist Book Concern be now made. If this is not done, public morals and religion will receive a heavier blow than any that could be aimed by the avowed enemies of truth and righteousness.

The sudden collapse of the trial of Dr. Lanahan, his reinstatement into office by the men who suspended him before trying him, and the abandonment of all attempt to prove anything wrong in him, while a Committee is set to investigate the Book Concern management, constitute a remarkable vindication of Dr. Lanahan's honesty, fidelity and courage. His accusers ought now to be prosecuted, unless they speedily repent.

It is thus God interposes to deliver his servants in the hour of their peril. It appeared to be a foregone conclusion, as Dr. Lanahan was to be tried by the same Committee which had hastily suspended him without trial, that he would be incontinently condemned by those who had injured him already. But the trial had scarcely begun before it was perceived that his accusers were on trial, and not the prisoner at the bar. Something must be done, and it was done. The trial was abandoned. The charges were all withdrawn. The prisoner was restored to liberty and power.

And now a Committee is to overhaul the Book Concern. It is not such a Committee as ought to have it in charge. It is composed of three members of this same court that was trying Dr. Lanahan. Not one of that Committee ought to be on it. Outside men, business men, laymen, Methodists, if they must be—but better still, business men with no bias for or against the Concern; such a court only is competent to meet the moral and reasonable demand of the Christian Church—that this scandal shall be probed to the bottom and the uttermost truth laid naked to the eyes of men, as it is in the sight of Him who seeth in secret. Nothing short of this will satisfy, or ought to satisfy, the oppressed sentiment of the religious community.

Referring to the above editorial, the Christian Advocate charged the *Observer* with being actuated by "bigotry and sectarian prejudice."

During this meeting of the Committee, Rev. Bishop Ames preached a sermon in St. Paul's Church, on Daniel in the lion's den, 6th Chapter. He enlarged upon the conspiracy of Daniel's associates, and the results. From remarks made by Mr. Fancher, as he passed out of the Church, it was apparent that he was much interested in the sermon.

CONSPIRACY AGAINST THE EPISCOPACY.

The failure of the Committee to bring the Bishops into agreement with their plans created much bad feeling toward them, and immediately upon adjournment consultations were had preliminary to an attack upon the Episcopal Office. E. Grant, who had been lifted into significance by the secret increase of his salary from $2,000 to $4,000, had declared: "If the Bishops do not agree with the Committee, the next General Conference will take from them their power." About this time a letter appeared in an unofficial Church paper, giving "the secret history and mystery of an attempt to overthrow the Episcopal office." Correspondence was had East and West as to who should begin the attack, and it was agreed that it should be commenced in the Pittsburgh Advocate. Accordingly, January the 25th, an editorial appeared in that paper, headed "Modification of the Episcopacy," which was immediately republished in the Christian Advocate, and referred to approvingly by the Western Advocate, thus showing that an agreement had been entered into to carry on the attack all along the lines of the official press. The following is from the Pittsburgh Advocate:

> Events and facts now entering influentially into the make-up of our history are driving us, despite our strong

personal passion for conservatism, to the belief that this office in our Church is needing serious modification. Facts now in process of development compel us to think that a periodically elective Episcopacy would be preferable to a life-tenure.

The "facts now in course of development" was the refusal of the Bishops to be used by the combination.

Next the Christian Advocate commenced a series of long editorials on "Methodist Episcopacy." Of the office the Advocate said: "That it has worked well and produced valuable results, is a good way to justify the assumption that it is in an eminent sense the creature of Providence. But whether it is the purpose of Divine Providence to employ it further, in its present form, or subject it to considerable changes, or entirely take it away, are legitimate questions." Again, the Advocate, referring to the Book Room trouble, said: "The affair is becoming alarming; and if, as we are told, the Bishops sustain the course of factionists against the regularly constituted Church authorities, as it is certain that other trusted servants of the Church do, it is time that it should be known."

Were not the Bishops a part of the regularly constituted Church authorities? Or, were the Book Committee, the official editors, the Book Agents (myself excepted, of course), Mr. E. L. Fancher, and Rev. H. F. Pease, "the regularly constituted Church authorities?" The above implies that they were not, and had no right to exercise their own judgment. So offensive had

the above "self-constituted authorities" become in their zeal to damage me, and conceal the frauds, that Bishop Simpson felt justified in saying to one of them, Rev. S. H. Nesbet, editor of the Pittsburgh Advocate, "It is in bad taste for officers of the General Conference to be meddling in matters with which they properly have nothing to do." The remark greatly angered the meddlers, and when the war on the Bishops was commenced, it was quoted in the Pittsburgh Advocate. There was method in all this madness!

Again, July 13th, the Advocate said: "The Episcopal Office is beset about with many delicate relations and duties, and that fact imposes upon its incumbents a necessity for great circumspection and careful avoidance of all occasions of offense. The experience of the last few days has shown the undesirableness of the connection of the Bishops with the care of the Book Concern." "Avoidance of all offense" against whom? It was not difficult to understand these hints, which were really threats.

Next the Western Advocate took up the subject, and January 25th, said:

Among the modifications suggested, is the limitation of the term of Episcopal service. This point is being agitated quietly, but pretty generally throughout the Church. We mistake the signs of the times if the quadrennial election of Bishops be not one of the stirring questions of the next General Conference. It has long been felt that the life-tenure of this office was an exceptional thing in our economy, and such a one as could not be defended in harmony with the universally prevalent ideas of Methodism in re-

gard to orders. We have always acknowledged a discrepancy between the teaching and practice of the Church at this point, and if the Methodist theory is ever to be made practical, there will probably never come a more favorable time for the change than now. We may hereafter have something to say on the constitutional aspects of this question.

Again the Western, of April 5th, said:

The discussion which has sprung up in the Church in relation to the Episcopal Office is taking a wide range—ministers and laymen take hold of it with a will, showing that there has been a deep feeling in restraint for a long time, which reveals itself, not in passionate outbursts, but in thoughtful anxiety for the welfare of the cause of Christ and the efficiency of Methodism.

We never liked the life-tenure of the office, because it seemed exceptional in our economy, and placed us in an awkward attitude before the Churches on the subject of orders. There is also a possibility of bringing upon the Church a heavy burden, and of creating a caste in the ministry that ought not to exist. To us it is plain that a provision for superannuating the Bishops in the Annual Conference, just as other disabled men are superannuated, will afford the Church relief.

THE BISHOP SCOTT SUB-COMMITTEE.

The Sub-committee of which Bishop Scott was Chairman, was composed of Rev. I. S. Bingham, and J. Rothweiler of the majority, and Rev. L. M. Vernon of the minority, with Mr. E. L. Fancher and Judge Reynolds to decide all questions of law and the selection of accountants. Soon after the general Committee adjourned, it began to be made apparent that this elaborately constituted commission was a carefully devised plan to get rid of the investigation of the charges upon which I had been suspended, the investigation of which would have demonstrated the truth of my allegations.

Before the Sub-committee met, the Christian Advocate, whose utterances from the beginning had been a law unto the Committee, made the following announcement:

> It is not true that the investigation of the frauds in the establishment was referred to the Sub-Committee. On the contrary, the Book Committee officially decided, after a long and thorough investigation, that there were no frauds, as alleged, to be investigated; and precisely what that Committee referred to the Sub-Committee was "all questions of business arrangements and methods in the Book Concern," with power to call to their aid such accountants as they might deem necessary.

And the Western Advocate of April 12th, said:

> The Sub-Committee was not appointed to investigate

frauds in the Book Concern, as the Book Committee long ago decided unanimously that there had been no frauds.

"Decided unanimously!" Had the editor of the Western forgotten what a minority had said in their published report, and that February 23d, 1870, in an editorial headed, "Report of the Book Committee," he said: "On the question concerning the conduct of employees of the Bindery, four were of the opinion that all was not right. Three of them signed a minority report which sets forth in full their views of the matter."

According to the above, the charges which I still adhered to, and the examination promised, related only to "questions of business arrangements and methods." Referring to these remarkable statements, Judge Reynolds, in a published letter, said: "It leaves the Committee in the sad plight of having torn out the vitals of the whole investigation, and then called one of the Bishops of the Church and three of their own members to convene in New York from distant points, all for the purpose, not of satisfying the Church as to the truth of the charges, but simply 'the forms of business' under an administration now near its end. The public will not justify all this expenditure of time and money for any such puerile object as this."

In the same published letter, Judge Reynolds said: "The only law question propounded to Mr. Fancher and myself was whether, in the investigation, the Book Committee had a right to go

back of 1868, the time of their appointment. This was answered in the affirmative by myself—I have never heard how by Mr. Fancher; but the raising of the question by those representing the majority of the Book Committee was quite significant."

That remarkable question had also been previously raised by some of the majority in the General Committee. Dr. Carlton's contention was that they had no right to go back of the time of their appointment.

At the first meeting of the Bishop Scott Committee, Judge Reynolds proposed that each side should name an equal number of accountants, leaving the Committee to select one from each list, and that the Committee should appoint a chief accountant to superintend the work. To this no response was given by Mr. Fancher. In the absence of Judge Reynolds, the Sub-committee unanimously selected three accountants, of whom Mr. J. Van Vleck was one, and submitted their names to Messrs. Fancher and Reynolds. Mr. Fancher objected to approving them "by the bulk." Judge Reynolds gave his approval in writing provided all three were confirmed. Mr. Fancher was especially anxious to have Mr. J. Van Vleck appointed chief accountant, he to select his assistants. What other two Mr. Fancher favored was not made known. Judge Reynolds objected to Mr. Van Vleck's selecting the other two, on the ground that several years before he had professed to have examined the books,

and reported that they were all right. Such was the persistent anxiety to have Mr. Van Vleck appointed "Chief Accountant, he to select assistants," that E. Grant, book-keeper, had the insolence to write a letter to Bishop Simpson, at his home in Philadelphia, stating that there were "many awkward entries in the books which would speak badly for the house unless charitably dealt with," and urged him to use his influence to have Mr. Van Vleck appointed. The Bishop promptly sent the letter to the Sub-committee, enclosed in one from himself, expressing his estimate of Grant's impertinence. It must have been known that Mr. Van Vleck would "deal charitably" with the "awkward entries!"

The Sub-committee, after a session of six days, unable to agree, adjourned to meet March 29th. At that meeting the name of Mr. J. P. Kilbreth, of Cincinnati (a former book-keeper in the Western Book Concern, the twin brother of that in New York, whose agents were in thorough sympathy with Dr. Carlton and his management), was before the Committee, but he was not chosen. Judge Reynolds was willing to accept even him, provided others were chosen by the Committee, who had not been connected with either of the Concerns. Unable to agree, the Sub-committee adjourned *sine die*. The above facts show that Judge Reynolds approved three accountants unanimously chosen by the Committee in his absence, but Mr. Fancher was opposed to selecting any "by the bulk."

If there was nothing wrong in the books, why was Mr. Fancher, who represented a majority of the Book Committee and Dr. Carlton, so hard to please in the selection of accountants? He was evidently acting under instructions. No accountants could show fraud in the accounts if it did not exist, and if they did show it, their false showing could easily have been exposed by the party responsible for the accounts. Dr. Carlton knew, however, of the failure of the Committee to agree before it occurred, and had arranged with three accountants whose appointment he immediately announced in the following card:

DR. CARLTON'S ACCOUNTANTS.

Methodist Book Concern,
New York, April 4th, 1871.

Messrs. Van Vleck, Callender and Gunn:

Gentlemen.—As you have consented, in accordance with my request, to examine the accounts and business methods of the Methodist Book Concern, I desire to say:

1. I wish the examination to be thorough and complete, and to cover the entire period of my agency from 1852 to the present time, or as much of that period as in your judgment is important and necessary to satisfy yourselves of the facts in the case.

2. I wish you, first of all, to examine the cash accounts to ascertain what disposition has been made of the moneys received and whether all disbursements have been in the legitimate business of the house only.

3. I also wish you to examine the general accounts and books of the house, to ascertain whether any fraudulent or corrupt acts or practices have obtained in the administration of the affairs of the Book Concern.

4. I wish you further to examine the business methods and arrangements of the house, to ascertain if, in your judgment, any change is necessary to secure the safe administration of its affairs.

5. To afford you every possible facility for carrying forward these examinations, the books, accounts, and vouchers of the house are hereby placed at your disposal, and you are authorized to make inquiry of the Agent, of the Assistant Agent, of the Cashier, of the Principal Book-keeper, of the Assistant Book-keeper, and of any and all other persons in the employ of the Book Concern.

6. When you have completed your examination, I desire you to report the result to me in such form as may suit your convenience.

Respectfully,

THOMAS CARLTON.

Better instructions could not have been given, with one important exception—the accountants were to report the result to himself! There was, however, a redeeming provision—"in such form as may suit your convenience." It will be seen that from circumstances which subsequently transpired, it suited the "convenience," honesty, and self-protection of the accomplished and venerable expert, Mr. John A. Gunn, in view of the great frauds he found in the account books, to "report the result" of his examination in a printed "form," which prevented it going into the hands of Dr. Carlton's especial favorite, Mr. J. Van Vleck, to be "fixed" to suit the emergency.

Immediately upon the announcement of the above named accountants, I proposed to Dr. Carlton that he retain any two of the three, and that I name a third, to act with them, and thus make the examination mutual. Receiving no answer, I renewed the proposition in writing and received the following:

Methodist Book Concern,
New York, April 8, 1871.

Rev. J. Lanahan, D. D.:

Dear Brother.—I did not deem it necessary to reply in writing to your note of the evening of the 5th inst., inasmuch as I stated to you personally at the time of its receipt my views of its contents; but having seen a communication in the New York *Times* of to-day from your attorney, Judge Reynolds, saying you had made certain propositions to me in writing to which I had not replied, I will now reply in writing.

I stated to you that I had completed an arrangement with three accountants to make a thorough and full exam-

ination of the books and accounts, and also of the business methods of the Book Concern, and I could not now consistently change these arrangements. Had your letter been handed to me when the proposal in it could have been made available, it would have been most cheerfully accepted. When Judge Fancher said to me, while the Subcommittee was here the last time, "Suppose the committee select a chief accountant, and each of the Agents an assistant," I unhesitatingly replied, I will consent to such arrangements; the Judge immediately left, saying, "I will make the proposition to Bishop Scott." But now, after the said committee has adjourned *sine die*, and I have entered into other engagements, it is too late. But I will now say, in order to secure to you whatever benefit your proposed arrangement would afford if adopted, you shall be at full liberty, and are hereby requested, to lay before the accountants the result of your examinations made heretofore into the affairs of the Book Concern, and any other matters pertinent on the subject you may desire to submit in person or through the experts by whom your examinations have been conducted, or both, as to you may seem most expedient; and I will request the said accountants to give due consideration to whatever you or those experts may offer in the premises. Yours truly,

THOMAS CARLTON.

I then made the following proposition which I reasonably hoped would be "most cheerfully accepted:"

New York, April 8, 1871.

Dr. Carlton:

I regret to find in yours of this date a refusal to agree to what was substantially your own proposition, namely, that you name the chief accountant and an assistant, and I name one assistant. You state as your reason that you have "completed arrangements with three accountants to make an examination." Such is my desire for a speedy and mutual adjustment of these matters, I now propose that you retain the three whom you may have engaged, and I employ one to act with them in the examination. But for the gravity of the matters involved, I might think

you jesting when you propose in lieu of my naming one of the examiners, that I lay before those chosen exclusively by yourself the result of my previous examinations.

Yours truly, JOHN LANAHAN.

The above proposition was also rejected.

When the above card by Dr. Carlton was published, Mr. Gunn, employed by Dr. Carlton, had been at work on the books since the preceding January—about three months. Subsequent events show that the special object of the announcement of the names of Messrs. Van Vleck and Callender was to get the former connected with the examination.

The Christian Advocate stated that Mr. Van Vleck was a Methodist, Mr. Callender a Baptist, and that he was selected because of "his ability and high official position as United States Bank examiner," and one high in official position in the Church said to me that his official position would have great weight and influence. I replied, that official position, though it were that of the President of the United States, could not outweigh facts founded on truth; that I possessed the facts and had no concern about names or official position; all I desired was an honest examination.

Of Mr. Gunn, the Advocate said:

He is a Presbyterian. For twenty-five years he was a book-keeper, but for the last fifteen years has been employed by leading business houses in this city as an expert in making similar examinations to those in which he is now engaged. Dr. Carlton had never met him until a few weeks ago, when, desiring to secure an able and impartial

expert to test the correctness of the Book Room accounts (which were in private circles charged with error), he was recommended to him by several of the best business men of the city. His services were soon after secured, and he has since that time been engaged in examining the accounts. Probably no abler or more suitable experts could be found in the whole country. Their conclusions will be accepted by the business public, and also, we believe, by the great body of our people and the Christian community generally.

I ask especial attention to the above endorsement of Mr. Gunn, as I shall furnish from his report the most conclusive evidence of long continued mismanagement and fraud in the account books, and in the financial exhibits to the Annual and General Conferences.

Thus, it will be seen, that I accepted the "conclusions" of Dr. Carlton's expert accountant—the only one of the three that examined—and I doubt not this conclusion will be accepted with amazement and horror by "the business public, and also by the great body of our people."

Mr. Van Vleck had not yet appeared at the Book Rooms. Mr. Callender never appeared there. His name was used for effect. Mr. Gunn alone continued to examine, and his examination extended uninterruptedly through about fifteen months. I was informed that his compensation was $375.00 per month. Subsequently Mr. Van Vleck called there in an apparently casual way every few weeks until he supposed Mr. Gunn was nearing the close of his examination, when his visits became more frequent, but he never looked at the books. It finally appeared, however, that his visits had a deep meaning.

About December 14, 1871, Mr. Van Vleck came to the Book Concern, and I heard him and Dr. Carlton urging Mr. Gunn to give him the result of his examination so that he could write the report for the Book Committee. Mr. Gunn replied that he alone had examined and must make his own report. Dr. Carlton and Van Vleck stated that it was often the case that a Committee was appointed to examine accounts and that, although only one examined, all signed the report. Mr. Gunn answered, that he would not be a party to such transaction, and added, "Dr. Lanahan knows that Mr. Van Vleck has not examined and will so state, and thus invalidate the report." Mr. Gunn also reminded Dr. Carlton that he had notified him, when the above card was published, that he would not act as one of a Committee if he alone was to examine, and again refused to give Mr. Van Vleck the papers containing the result of his examination. The interview was earnest and extended. Immediately after it ended, Mr. Gunn handed me the following note:

> Dr. Lanahan, if you heard the conversation between Dr. Carlton, Mr. Van Vleck and myself—I suppose you did, your window being down—please record it; more at another time. J. A. G.

I answered, "I have recorded it." This was the first interchange between Mr. Gunn and myself. His examination was made in a small room connected with our office by a door and window; my desk was by the door and under the window,

which was down from the top—thus I heard the conversation.

I now felt free to call on Mr. Gunn, to hear what he desired to communicate. He said, "I wish to inform you how I came to be employed by Dr. Carlton. A friend requested me to call on Mr. Van Vleck, who wanted some accounting done. I called, and he referred me to Dr. Carlton, giving me a note of introduction. Dr. Carlton said he wanted me to examine the accounts of the Book Concern. I told him I would do so, but not in the interests of any one party. We agreed upon terms, and I entered upon the examination in January (1871), when you were being tried by the Book Committee. After your trial ended and the Subcommittee, of which Bishop Scott was Chairman, was appointed to select accountants, I received a note from Mr. Van Vleck, requesting me to call on him. I called, and he said he expected to be appointed chairman of a committee to examine the accounts of the Book Concern, and should desire me to assist him and give him the result of my examination so that he could write the report for the Book Committee. I told him that if I continued the examination, I would write my own report. After further conversation I left him, supposing I was understood." The above explains the anxiety of Mr. Fancher to have Mr. Van Vleck appointed chief accountant.

Mr. Gunn further stated that when Dr. Carlton published the card announcing the appoint-

ment of Messrs. Van Vleck, Callender, and himself, he told him he would not serve on such a committee, if he alone examined, and that Dr. Carlton assured him that their relation to the examination would be only nominal. At a subsequent interview, he said, "My work is purely professional—I have nothing to do with the controversy, and shall report what I have found in the books." He did not tell me what his report would be, nor did I care to know, as the result of my examination and that of my accountant had furnished facts sufficient to meet any issue that might be raised.

He then said that he desired to communicate with some influential layman to whom he could make known the result of his examination, and named ex-Mayor Havemyer, who attended Seventh Avenue Church, of which Dr. Andrew Longacre was pastor, and which church Mr. Gunn attended during his examination, it being near his boarding house. I suggested that he make his communication to Rev. Bishop Janes. He adopted the suggestion and called on the Bishop, who designated a day in the next week when he would have Bishop Simpson present. On the appointed day, Mr. Gunn met the two Bishops, at Bishop Janes' residence, gave them a statement of the results of his examination, and expressed the opinion that Dr. Carlton would not present the report he in truth should be compelled to make. He also informed them of repeated efforts of Dr. Carl-

ton and Mr. Van Vleck to get him to give the latter the result of his examination so that he could write the report for the Book Committee to present to the General Conference. The result of the interview was that the Bishops advised Mr. Gunn so to take care of the result of his examination as to get his report before the General Conference. To make sure of this, Mr. Gunn then determined to deliver it to Dr. Carlton in a printed "form," which prevented it going into the hands of Mr. Van Vleck in manuscript.

Failing in their plans to make Mr. Gunn their willing tool, after he had been at work on the books several months, Mr. J. P. Kilbreth, a former book-keeper in the Western Book Concern, was brought from Cincinnati, Ohio. He could be trusted before he came! In his report to the Book Committee, which they presented to the General Conference with much praise, he quotes resolutions of the Committee by which he was appointed. When I examined the records of the Committee there were no such resolutions in them. But it is a matter of no consequence, as the Committee and Dr. Carlton were one. The idea of the Committee—after all their tergiversations—appointing an examiner, needs no comment. To me Mr. Kilbreth was more amusing than otherwise. He moved about the building as one having authority, and called himself a "referee." He had perhaps been made to believe that he was one, as the Book Committee in their

report to the General Conference subsequently dignified him with that title, but took great care not to name any parties who had chosen him. Would any self-respecting man allow himself to be called a referee without being furnished with evidence that the parties in dispute had chosen him?

Mr. Kilbreth requested me to lay before him my charges. Although I was confident he was employed by Dr. Carlton, I assented, stating that I would employ an accountant of my own choosing to assist him. To this he assented, but the next day withdrew his assent. He had no doubt received instructions. He applied to me for the records of the Book Committee which I had been examining and copying. By mistake in delivering them, I gave him a printed paper prepared by my accountants, Messrs. E. H. Gouge and C. A. Appel, which I had not used, and requested its return, which he promised. The next day he refused. He had no doubt been instructed again. I then told him that any further communication between us must be in writing. In his report, after acknowledging that I refused to have anything to do with his examination unless represented by an accountant of my own choosing, on page 42 he says: "Dr. Lanahan, at the time, however, did hand me a printed report made by Mr. E. H. Gouge and C. A. Appel, professional accountants, who by him had been employed to inspect the book accounts of the House. To this report I shall devote some attention."

Why did he not honestly state how I came to "hand" him the "printed report?" I had reason, however, to be pleased that he got it, notwithstanding his disreputable conduct, because in devoting "some attention to it," he furnished material for the exposure of his attempted deception, which will be found in my citations from the report of Mr. Gunn.

Of the financial management of the Book Concern, Mr. Kilbreth makes the following strong statement, page 44: "As to the financial department, I regard its management as above reproach, and it is difficult for me to see how it could be improved." And again, on page 64, he spurns the idea of the Principal Agent's deriving pecuniary benefits from his position, and says, "such a supposition, I am free to say, has not the slightest foundation. Dr. Carlton does not, and does not need to seek benefits from the funds of the Book Concern." I find it difficult to restrain the expression of my disgust and abhorrence of such statements from a man whom I must show to have been absolutely ignorant of the matter about which he was using such unqualified language. If he was not absolutely ignorant, what then? I beg the reader to keep in mind the above.

Mr. Kilbreth's report closes with these words to the Book Committee: "I request you to order an appropriation, not exceeding $1,100, to cover my actual expenses, including a small sum for clerical assistance. The items will be furnished

at the time of payment. For my services I decline compensation." He received $1,192.25. Perhaps the additional $92.25 was received for "services" rendered in making the Committee of the General Conference believe that the management of the financial department was "above reproach." His "assistance" was from E. Grant, Dr. Carlton, Mr. E. L. Fancher, and J. Van Vleck, whom he consulted elsewhere than at the Book Concern.

REPORT OF MR. JOHN A. GUNN.

I now ask attention to a few quotations from the report of Mr. John A. Gunn, who was endorsed by the Christian Advocate as "an able and impartial expert," "recommended by some of the best business houses in this City, as an expert in making examinations similar to those in which he is now engaged," and who spent about fifteen months in a thorough examination of the books of the Concern. As already shown, he was selected by Dr. Carlton, and it hence would be natural to suppose that the results reached by him would be as favorable to the Senior Agent as the facts would allow. Any one examining his report will be convinced of the accuracy and care with which his work was done, and of the studied moderation with which his conclusions are stated. I cite only a few of these which, though they can but be at disadvantage, being isolated from their connection, are yet so obviously conclusive of wrong intent as to convince even the most prejudiced and unbelieving.

This able accountant analyzes the business of the Concern for a period of nineteen years—from 1852 (the year of Dr. Carlton's first election), to 1871—showing the yearly amount and increase of the capital stock as represented in the ledger,

and in the exhibits to the Annual Conferences, and reveals discrepancies of such amount and kind as could only be possible to business methods of the most reprehensible and iniquitous character. That these methods were meant to shield, and did shield transactions whose criminality needed concealment, is the only conclusion to which they point, and which it is impossible in truth to avoid. That the real owner of the property, the Church, should thus be misled through a long series of years by those to whom its custody and management had been sacredly confided, as any reader must acknowledge, is absolutely horrible to think of! And this too, when the wrong-doers were receiving from the Church extravagant eulogiums upon their successful management as being "the right men in the right place."

It is clear from the report of this accomplished accountant, who deeply studied and traced out all the manipulations, and the false entries and downright deceptions by which these anomalies were produced that he rose from his work with a profound impression of their evil significance. His closing words are these: "There can be no difference of opinion as to the serious import of the acts and practice herein stated, or the results demonstrated by the accompanying evidence."

It is proper to add that all the evidence showing mismanagement and fraud, which constitutes two-thirds of the report, was left out of the

Journal of the General Conference to which the report was presented. As an act of simple justice to say the least, should not the next General Conference order the publication of the entire report in its Journal? If this is done it will more than confirm every charge that I ever made against the management of the Book Concern as found in books of account.

MR. GUNN'S REPORT.

Rev. T. Carlton, D. D., Agent, etc.:

Sir.—Your letter of April 4, 1871, named two other gentlemen with myself as a Committee "to examine the accounts and business methods of the Methodist Book Concern." As, however, I learned from yourself that these gentlemen were not expected, and from themselves, that they did not intend, to personally participate in the examination, I declined to act as a member of such Committee, and subsequently, on April 20th, concluded an agreement with you to individually make the proposed investigation. I entered immediately upon an examination of the accounts which cover the period from January 1, 1860, to November 30, 1871, believing that a minute investigation of these accounts, together with the vouchers and records pertaining thereto, would yield conclusive evidence as to the truth or falsity of the charges of "incompetent book-keeping" and "fraud" in the administration of the affairs of the Concern.

The plan thus entered upon was pursued until the 1st of January last, when, in accordance with your expressed wish, I suspended the consecutive examination, and gave my time and attention to the specific matters cited by Dr. Lanahan in his presentment to the Book Committee,* and in the consideration of these I have since that date been employed; of the results of my examination thus far I beg leave to make the following

*My "presentment to the Book Committee" was that the accounts were chaotic; entries in the books fraudulent; and exhibits to the Annual Conferences false. The reader will see how far these charges are proven by Dr. Carlton's own accountant.

REPORT.

1. In reference to the Book-keeping.

That, before entering upon an examination of the accounts subsequent to January 1st, 1861, I found it necessary to consider, although not minutely, those of the preceding years; that, when the consecutive work was suspended, it had embraced the period from 1861 to 1865 inclusive; and that, in considering Dr. Lanahan's allegations, I have had occasion to examine carefully much of the work of the years from 1866 to 1871 inclusive; so that my investigation, while minute only as to the five years indicated, has, in many important respects, embraced the entire period from January, 1852, to November 30, 1871. It is proper for me to add, however, that when the examination of the accounts from 1861 to 1865 was suspended, it was complete only as to inaccuracies and irregularities apparent upon the ledger—not as to the vouchers and original records.

No, no, "the vouchers and original records" were delicate things to handle, and the bank books were not to be handled at all, except by Dr. Carlton and the Cashier, his brother-in-law. I failed to get access to them through the civil court even, because Judge Barnard turned his hearing ear to Mr. E. L. Fancher, and the Shoe and Leather Bank, with whom he was "intimate." Mr. Gunn was not allowed to see them, although Dr. Carlton's published card announcing his appointment, had said "I wish you first of all to examine the cash account, to ascertain what disposition has been made of the moneys received, and whether all disbursements have been in the legitimate business of the house only." Well, an overruling Providence put in my hands material to show much as to "the disposition made of the moneys received."

Mr. Gunn, 1st. notices the "Accuracy of the accounts;" 2d. "The System;" 3d. "The Application of the System;" 4th. "The practice." Of the latter he says:

1. The record of details is obscure and meagre.

The subsidiary books afford in most cases very little, and in many no information whatever concerning the origin and incidental history of important accounts and entries, so that it is simply impossible to understand such accounts and entries without protracted and elaborate investigation, which frequently would need to be supplemented by information from one personally familiar with such details. It is certainly true that, in case of the absence of both the book-keeper and his assistant, it would not be possible for one not otherwise advised to gather from the books such knowledge of the accounts before him as would render him competent to make a reliable statement of the real condition of the Concern—not because of peculiarities of the business, but only because he would find no record of facts which would elucidate the entries upon the ledger. . .

2. Frequent alterations and changes have rendered the books untrustworthy and unintelligible, because there is no explanation of such alterations.

3. The correctness of the books has been tested by trial balances only once a year; error then disclosed has been allowed to remain without discovery, and consequently the books have not balanced in nearly twenty years.

4. There is a singular lack of uniformity in the manner of keeping some of the accounts, changes being made so frequently, and without explanation or notice upon the books, that the account is rendered unintelligible.

5. Many entries are made in phraseology not known to double entry, which either obscures or fails to make apparent the transaction recorded.

6. Accounts have been closed to "Profit and Loss" without proper adjustment, and without intelligible explanation.

Absolute observance of the cardinal principle of double entry—equal debit and credit for every transaction—is essen-

tial to the integrity of the record. This can be assured only by the test of the trial balance; and if error then disclosed is allowed to remain without discovery, the trustworthiness of the record is destroyed; for, although the error disclosed be apparently small, there is no certainty that it is not large.

As evidence that amounts have been carried to profit and loss without proper adjustment and without intelligible explanation, I refer you to the Depository accounts, by which it appears that in 1866 there was placed to the debit of profit and loss upon only an estimate of probable error, not after the amount of error had been definitely ascertained, the sum of $76,528.31, the only explanation being "for errors in Depository sales"; and that in nearly every successive year these accounts have been closed "by profit and loss" for differences between the books of the Agents and those of the Concern, not after, but without adjustment, and without such explanation on the books as would enable one not acquainted with the facts to see the propriety of the entry.

There were no such "errors in depository sales." The "errors" were the result of what Mr. Gunn calls the "manipulations" and "gerrymandering" of the accounts in connection with the long continued frauds. But notwithstanding the above amount "for correction of errors" was charged off as a loss in 1866, Mr. Gunn shows that in 1867, $54,372.11 was also charged off as "a loss for correction of errors." Of it he says:

In reference to the process by which this amount was suppressed, see Report, p. 17.

There is no explanation of this remarkable transaction upon any of the books of the Concern; but the following was given in writing on December 27, 1871, by the bookkeeper, Mr. E. Grant, viz.:

"It was supposed that the manner in which the sum of

$23,162.89 had been handled had improperly increased the Stock Account by twice that amount. Supposed errors were also found in the Depository Accounts aggregating $8,046.33.

"To correct these errors, stock was debited $54,372.11, and a similar amount deducted from the Inventories, to prevent confusion in the Profit and Loss Account."

To the question, "What errors in the Depository Accounts are referred to?" Mr. Grant replied, verbally, "I made no record—cannot now remember; and you will have to take my word that it is all right."

Is it not singular that Mr. Grant's memory failed him upon the one vital point—"what errors"? That was the hinge upon which the whole matter turned. It is unfortunate that he "made no record"! Well, his "word" that it was all right was something, especially as for that and many like words, and other peculiar services, his salary had just before been secretly raised from $2,000 to $4,000. Mr. Gunn, as will be seen, again refers to this matter of $54,372.11 when dealing with Mr. Kilbreth's report.

Mr. Gunn further says:

I have seen a copy of the "Report" which has been prepared for you to submit to the approaching General Conference, and to some matters therein it seems proper for me to direct your attention.

I. On page 3 there is a statement of "Sales and profits for the four years ending November 30, 1871." The profits stated are not profits on sales only, but profits on the whole business of the Concern in all its departments; and of these only the net profit, i. e., the amount which remained after the payment of all losses and expenses.

1. These net profits on the whole business are not given as they appear on the ledger.

	Report.		Ledger.	Difference. More.	Difference. Less.
1868.	$83,009.03		$ 81,326.89	$1,682.14	
1869.	60,954.17		193,223.96		$132,269.79
1870.	68,081.05		82,683.41		14,602.36
1871.	63,095.92		104,145.77		41,049.85
	$275,140.17	Net p'fit,	$461,380.03		$187,922.00
					1,682.14
Deduct amt. from "Miss. Society" of M. E. Church South.....			35,215.02		$186,239.86 35,215.02
		"Net earnings"	$426,165.01	Difference,	$151,024.84

After thoroughly analyzing the report, Mr. Gunn says, "Difference between the report and the ledger $96,857.70." When that report was read to the General Conference of 1872, at Brooklyn, signed "Carlton and Lanahan, Agents," I arose in my place as a member of the body and stated that it was fraudulently false, and requested that my name be taken from it. My statement produced much bad feeling toward me, and one member openly denounced me as "a devil," and was so reported in the New York papers. When called to order, he replied, "it is always appropriate to quote scripture," thus indicating the words of the Lord Jesus in reference to Judas Iscariot—"One of you is a devil." I gave no attention to the denunciation, but persisted in the demand, which was finally granted by a resolution, but when the report appeared in the General Conference Journal, it was signed "Carlton and Lanahan, Agents," and so it stands

now, and will stand. Thus I am made responsible for the false report.

Mr. Gunn next gives attention to Kilbreth's report.

The reader will please observe how frequently the $54,372.11 turns up in this part of Mr. Gunn's reference to Mr. Kilbreth's report. He says:

In Mr. Kilbreth's Report to the Book Committee there are also some matters to which it is proper for me to advert.

"I have personally examined the methods of book-keeping in use in the Book Concern, and the condition of its business as therein set forth. My conclusion is that the business is not in a confused or chaotic, but in a decidedly understandable shape, and that it is not difficult to learn the true state of affairs from the books." Page 44.

As I have, in my Report, expressed conclusions diametrically opposite to those stated in the above extract, it is proper for me to say that Mr. Kilbreth, surely, can not intend it to be understood that he has "personally examined" the accounts in the ledger, which I have had in daily and constant use until quite recently. Indeed, that gentleman himself informed me that "he did not intend to cast up accounts, but only to make a general examination, especially of Dr. Lanahan's more serious charges in reference to the bindery and printing-office."

It will be obvious that the extreme diversity of our conclusions arises from the fact that those expressed by Mr. Kilbreth were reached without personal examination of the accounts upon the ledger, while those stated in my Report embody the results of a very careful "personal examination" of those accounts extending through a period of nearly a year and a half.

"Within the last five years (1867-1871 inclusive) I see no good reason to complain of the general system of accounts, or the general accuracy and care with which the books have been kept." Page 44. [The time of E. Grant's service as book-keeper.]

That is, indeed, a most extraordinary statement!

The question is not concerning the system of accounts—

all admit that double entry is the proper system—but concerning the practice, i. e., the accuracy and care with which the books have been kept under that system; of this, in the period 1867-1871 inclusive, Mr. Kilbreth says "I see no good reason to complain."

Truth compels me, Dr. Carlton, to say precisely the reverse, i. e., I deliberately affirm that "within the last five years" there is more to complain of in the "practice" than in the five previous years; that there are entries which manifest both an utter "want of competency" and a deliberate purpose so to manipulate the accounts that they shall convey an incorrect impression concerning the business.

Mr. Kilbreth's declaration that he did not "see" reason to complain of such entries accords with the fact above stated, viz., that he did not personally and carefully examine the accounts upon the ledger; or else implies that, while regarding such entries as perhaps "not very felicitous," he is, nevertheless, not disposed "to complain" when the capital stock shown upon the ledger is $54,372.11 less than, according to the Profit and Loss Account, its true amount, and when, for the purpose of making it show this amount, the accounts have been so manipulated that they give results entirely at variance with the facts.

In regard to this entry of $54,372.11, in Capital Stock Account, on November 30, 1867, Mr. Kilbreth says: "Any credit to Profit and Loss made prior to the time for closing the books, and having its corresponding debit, as it must, to some account other than Stock Account, necessarily shows in the Profit and Loss Account as a profit. But a credit to Profit and Loss, when charged, as in this case to Stock Account, is simply the forgiveness of a debt due by Profit and Loss, and is entered as a loss, not, as Mr. Gouge says, as a profit. It is a charge assumed by the proprietor (Stock), and by a reduction of the Capital, Profit and Loss is to that extent set free"! The meaning of this extraordinary elucidation of the mystery of double entry is only this, viz., that entries so made cancel each other.

But, continuing the illustration, if the "proprietor" forgave the debt due by Profit and Loss, then he did not receive as much of the profit of his business as he should have received by $54,372.11, which is precisely what has been proved in the "Analysis," etc.

However, after all this show of kindness, "the proprietor, Stock," turns out to have been only another one of many shabby fellows who enjoy a reputation for liberality to one at the expense of another; for while he forgave his debtor, Profit and Loss, he, on the same day, robbed his friend Merchandise, to whom he was indebted for nearly all he was worth, of precisely the same amount, or, as Mr. Kilbreth, in speaking of the inventories, enigmatically puts it (p. 45), "The sum of $54,372.11 comes in to make havoc of quantities." Why did not Mr. Kilbreth, so that the fact might be known, say, in intelligible terms, that this amount was subtracted from the inventory of "Merchandise on hand," and so made havoc of a quantity of the assets of the Concern?

1. That there is not a record concerning it upon any of the books from which it can be ascertained what errors are referred to.

2. The manner in which the entry was made, viz., that, the profit on merchandise being $94,535.50, merchandise was debited "to profit and loss" for only $40,163.39, and stock "to profit and loss" for the remainder, $54,372.11, the effect of which was that, when the stock account was credited "by profit and loss" for the net profit, $54,372.11 of this net profit was canceled by the previous debit "to profit and loss" of the same amount; that then a false date, "1866," was interpolated to give the impression that this debit of stock to profit and loss occurred in 1866, while the debit of merchandise to profit and loss occurred in 1867—although it is manifest that it could not have been made in 1866 from the fact that it is a mere manipulation of the profit and loss account among the entries under date of November 30, 1867; and, finally, that this same amount was subtracted from the inventory of merchandise, so that merchandise account would show the same amount of profit that stood to the credit of profit and loss, viz., $40,163.39, instead of the true amount of $94,535.50, and that the "merchandise on hand" might be reduced by the same amount that had been subtracted from the capital stock.

(Did not that "inevitable sum come in to make havoc of quantities"!)

3. The statements as to its origin are contradictory, viz., that it was "an attempt to correct the closing entries of former years," that it was intended thereby to correct

"supposed errors in the Depository accounts" and "supposed errors" of the book-keeper in 1865, and that it was to effect a "reduction of values."

4. The Church seeks an explanation, and is informed that the amount placed to the credit of profit and loss "was entered as a loss," that "by the forgiveness of stock, profit and loss was set free," and that "in 1867 this inevitable sum came in to make havoc of quantities." . . .

I have said that the subsidiary books afford very limited information concerning the ledger accounts. It is also true that even this limited information has been rendered untrustworthy by frequent additions to, and subtractions from original valuations of the assets, without sufficient, and, in some instances, without any explanation.

In this connection I ask your attention to the irregularities referred to in my former Report.

I. As to the Capital Stock:

1st. A comparison of all such alternate changes in the valuation of assets found upon the books from January, 1852, to November 30, 1869, discloses the fact that there was thus far, at the latter date, an excess of subtractions, or, in other words, an apparent deficit in the capital stock account amounting to $180,105.30.

2d. On that day there was, by advancing the valuation of certain assets, added to the balance of capital stock, in addition to the profit on the business of the year, the sum of $186,114.64.

3d. Notwithstanding such addition on November 30, 1869, there was, on November 30, 1871, an existing deficit in the capital stock of $54,372.11—i. e., it was less by this amount than, according to the books, it should have been.

II. As to the Exhibits.

1st. A careful analysis of all the exhibits from December 31, 1852, to November 30, 1871, shows that they have not correctly informed the Annual Conferences of the condition and worth of the Concern.

2d. That in some instances the amount of assets has been understated, in others the amount of liabilities overstated, and in still others both the assets and the liabilities have been incorrectly stated.

The evidence of these facts I have endeavored so to arrange in tabular form that it may be intelligible, and that its significance may be readily apparent. . .

As my work is simply professional, it has seemed to be my obvious and imperative duty to report to you whatever the books might disclose, and I have therefore directed your attention to the irregularities above indicated. Aware that my conclusions may be questioned, I submit also the evidence upon which they are based.

There can be no difference of opinion as to the serious import of the "acts and practices" herein stated, or the results demonstrated by the accompanying evidence. I therefore submit them without comment for such explanation as their importance requires.

Respectfully, etc., JOHN A. GUNN.

May 15, 1872.

The above is followed by the evidence accompanying the report—making two-thirds of the report—all of which was left out of the Journal of the General Conference. I select only a few specimens, which I give below.

FINANCIAL EXHIBITS TO THE ANNUAL CONFERENCE.

When the Agents of the Book Concern presented to the Annual Conferences their annual exhibits of the financial condition of the Concern, those bodies supposed, of course, that they were listening to truthful statements—that is, that the exhibits agreed with the assets as shown in the ledger. But Mr. Gunn says (and he gives the evidence in detail):

In reference to the Exhibits.

1. That the Exhibits, from December 31, 1854, to November 30, 1869, inclusive, have not truly informed the Annual Conferences of the condition of the Book Concern as shown on the Ledger; that, on the contrary, while they appear to

report the existing Liabilities and the full amount of Assets (subject only to a specified "discount for probable losses" on "Notes and Accounts" receivable), there has, in fact, been uniformly a subtraction from the real worth of the concern (in addition to the "discount for probable losses"), which has been accomplished in some instances by suppressing large amounts of the Assets, in others by fictitiously increasing the Liabilities, and yet others by both these methods combined (see Exhibits in Appendix, especially those from 1866 to 1869).

He analyzes the exhibits for the above years, and shows the amounts that were "suppressed," that is, not reported. I cite from his report the following:

1857.	Differ'ce	between	the	Ledger	and	Exhibits, $50,887.80
1858.	"	"	"	"	"	47,057,64
1859.	"	"	"	"	"	80,250.85
1860.	"	"	"	"	"	7,817.21
1861.	"	"	"	"	"	112,437.18
1862.	"	"	"	"	"	38,582.50
1863.	"	"	"	"	"	25,346.86
1864.	"	"	"	"	"	36,013.99
1865.	"	"	"	"	"	25,584.29
1866.	"	"	"	"	"	54,372.11
1867.	"	"	"	"	"	80,736.93

For the first time in more than twelve years, the assets stated on the exhibit were the same as those given in the ledger. Of this agreement Mr. Gunn says:

But observe, this exceptional agreement arises from the fact that this year the additional subtraction is made on the Ledger, but in such way that it does not appear, i. e., by showing in the Profit and Loss Account $51,739.48 less profit than was actually earned.

Of the exhibit of 1869, Mr. Gunn says:

In the Exhibit of November 30, 1869, issued about three months after the first public allegation of defective management—although there was, for the first time since 1854 neither under-statement of Assets nor over-statement of Liabilities—there was

(1) An incorrect statement of the Profits of the year.

It is said "the Profits of the year have been $112,693.65," whereas, according to the Ledger, the Gross Profits on Mdse. alone were $249,106.62, and the Net Profit on the whole business, shown by the Profit and Loss Account, was $193,223.96.

(2) An incorrect statement of the "Increase of Capital."

It is said "Increase of Capital included in the above Exhibit....		$82,252,56,"
whereas by the Ledger, the Net Profit was, as above.....	$193,223.96	
and there was added for increased valuation of Real Estate.....	113,349.20	
Total Gain,	$306,573.16	
Out of which was paid by order of General Conference.....	30,441.09	
And the amount actually added as Increase of Capital was.....		$276,132.07
Difference		$193,879.51

J. A. GUNN, Accountant.

Mr. Gunn next shows the difference between the ledger and the exhibits, as to the net profits of the Book Concern, as follows:

		Ledger.	Exhibit.	Difference.
1858	Net Profits,	36,358.04	35,709.02	649.02
1859.	"	52,429.76	28,458.11	23,971.65
1860.	"		43,491.90	43,491.90
1861.	"	11,624.05		11,624.05
1862.	"		46,858.34	46,858.34
1863.	"	74,528.37	64,993.26	9,535.11
1864.	"	71,091.73	57,849.32	13,242.41

		Ledger.	Exhibit.	Difference.
1865.	Net Profits,	30,281.42	30,281.42	
1866.	"	26,735.26	30,271.99	3,536.73
1867.	"	81,602.16	62,552.39	19,049.77
1868.	"	81,326.89	83,009.03	1,682.14
1869.	"	306,573.16	112,693.65	193,879.51
1870.	"	82,683.41	75,382.23	7,301.18

It is seen in the above, that in 1860, the ledger shows no profit, whilst the exhibit to the Annual Conferences reports $43,491.09 profit. In 1861, the ledger showed $11,642.05 profit, and the exhibit reported no profit. In 1862, the ledger showed no profit, but the exhibit reported $46,-858.34 profit. And that in the above fourteen years, only in 1865 is there any agreement between the ledger and the exhibits. Why did not the ledger and the exhibits agree in all cases? Because large amounts of the profits were suppressed, and thus the Annual Conferences were kept in ignorance.

From Mr. Gunn's report, I select the following, showing the difference between the ledger and the exhibits to the Annual Conference—first, as to the amount of "cash" in hand; second, as to "notes and accounts," and third, as to "liabilities." It will be seen that in only six out of twelve years, the ledger and exhibits agree as to cash in hand. But I shall furnish proof that in those six cases, neither the ledger, nor the exhibits truthfully stated the amount of cash, because Dr. Carlton kept large amounts of the money of the Book Concern in his personal and private account.

	Ledger.	Exhibit.	Difference.
1857—Cash on hand	38,387.19	16,081.36	22,305.83
Notes and Accounts	223,413.15	224,066.76	653.61
Liabilities; Notes and Accounts	197.354.23	166,986.14	30,568.09
1858—Cash on hand	41,884.07	26,884.07	15,000.00
Notes and Accounts	223.774.39	237,513.17	13,738.78
Liabilities; Notes and Accounts	128,088.82	110,654.06	17,404.06
1859—Cash on hand	39,082.24	17,000.31	22,082.24
Notes and Accounts	209,840 52	209,840 52	
1860—Cash on hand	20,429 49	20,429.49	
Notes and Accounts	182,888.90	120,759.27	62,129.63
1861—Cash on hand	38,544.16	30,140.41	8,403.75
Notes and Accounts	173,321.00	115,547.34	57,773.66
Liabilities; Notes and Accounts	56,381.65	47,977.90	8,403.75
1862—Cash on hand	23,691.96	23,691.96	
Notes and Accounts	165,454.25	110,302.84	55,151.41
Liabilities; Notes and Accounts	29,681.88	29,681.88	
1863—Cash on hand	6,940.33	6,940.33	
Notes and Accounts	231,342.88	154,228.59	77,114.29
Liabilities; Notes and Accounts	37,199.47	34,899.83	2,299.64
1864—Cash on hand	17,705 40	17,705.40	
Notes and Accounts	240,919.83	241.492 42	572.59
Liabilities; Notes and Accounts	104,032 05	105,032.05	1,000 00
1865—Cash on hand	24,470.85	24,470.85	
Notes and Accounts	299,507.07	181,853.85	117,653.22
Liabilities; Notes and Accounts	124,693 41	111,362.28	13,331.13
1866—Cash on hand	19,503.75	19,503.75	
Notes and Accounts	235,488.55	126,460 12	109,028.43
Liabilities; Notes and Accounts	116,634.45	126,674 93	10,040 48
1867—Cash on hand	41,057.42	5,323.49	35,733.93
Notes and Accounts	291,837.01	164,558.01	127,279.00
Liabilities; Notes and Accounts	100,541.37	19 807.44	80,733.93
1868—Cash on hand	52,529.94	52,529.94	
Notes and Accounts	238,444 64	158,963.10	79,481.54
1869—			
1870—Cash on hand	27,207.03	19,905 85	7,301.18
Notes and Accounts	356,016.03	291,593 85	64,512.18

These startling discrepancies, I venture to say cannot be matched by any business house in New York, or anywhere else. Yet Mr. J. P. Kilbreth, who came all the way from Cincinnati to examine, and for his "services declined compensation," said of these accounts: "My conclusion is that the business is not in a confused or chaotic condition, but in a decidedly understandable shape,

and that it is not difficult to learn the true state of affairs from the books."

In further illustration of the reckless and dishonest methods of the Book Concern management, I ask attention to the following further statement from Dr. Carlton's own accountant, Mr. John A. Gunn.

I select also the following from Mr. Gunn's report, showing that in some years as the sales diminished the profits increased:

On sales of merchandise in 1864	$526,087.98
There is shown a profit of	49,084.32
On sales of merchandise in 1865	628,103.95
There is shown a profit of	62,124.18
On sales of merchandise in 1866	686,122.26
There is shown a profit of	104,726.34
On sales of merchandise in 1867	694,885.58
There is shown a profit of	40,163.39
On sales of merchandise in 1868	619,473.27
There is shown a profit of	176,383.61
On sales of merchandise in 1869	594,191.25
There is shown a profit of	249,106.62
On sales of merchandise in 1870	588,645.82
There is shown a profit of	134,115.74
On sales of merchandise in 1871	624,530.08
There is shown a profit of	136,240.31

I beg the reader to pause and ponder the following analysis of the above statement of amount of sales and profits. See if it does not suggest a basis for my charge of "chaos," as well as fraud:

In 1865, with sales more than in 1864 by $102,015.97, the profits were greater by only $13,039.86.

In 1866, with sales more than in 1865 by only $58,018.31, the profits shown were greater by $42,602.16.

In 1867, with sales more than in 1866 by $8,763.22, the profits shown were less by $64,562.95.

In 1868, with sales less than in 1867 by $75,412.31, the profits were more by $136,220.22.

In 1869, with sales less than in 1868 by $25,282.02, the profits shown were greater by $72,723.01.

In 1870, with sales less than in 1869 by only $5,545.43, the profits shown were less by $114,990.88.

In 1871, with sales more than in 1870 by $35,884.26, the profits shown were greater by only $2,124.57.

In the three years that the sales were less, the profits were wonderfully increased!

Mr. Gunn further says:

There had been so constantly, directly and indirectly, alternate additions to, and subtractions from its Capital Stock Account, that it was not possible at any time to learn from that account what the Methodist Book Concern was really worth; and on November 30, 1869, there was added to its apparent Capital Stock, in addition to regular profit on the business, the sum of $186,105.30.

STATEMENT OF ADDITIONS TO AND SUBTRACTIONS FROM THE CAPITAL STOCK ACCOUNT OF THE METHODIST BOOK CONCERN SINCE JANUARY 1, 1852, AND ADJUSTMENT OF THE APPARENTLY EXISTING DEFICIT ON NOVEMBER 30, 1869.

[Here follows a tabulation of subtractions from and additions to the assets from 1854 to 1869, showing an excess of subtractions of $186,105.30.]

To return the amount ($186,105.30) of these latter subtractions to the Capital Stock Account, the value of real estate in

Mulberry and Mott Streets was increased	$80,000.00
Pittsburgh was increased	5,349.20
San Francisco was increased	28,000.00
Added to Merchandise Inventory	61,365.44
Added to Printing Presses*	11,400.00
	$186,114.64

The increase was too much by $9.34, and it appears by the Ledger that at the close of the next year the Profit and Loss Account was debited, and Real Estate in Pittsburgh credited $9.38 without any explanation whatever, but evidently to cancel excess of increase, thus making the real

increase, November 30, 1869	$186,105.26
a difference of	04
	$186,105.22

The difference of 4 cents may reasonably be attributed to oversight in computing deficit.

Of the above increase of the assets, Mr. Gunn says "Observe the manner in which this increase was made. The only record concerning it is found on page 83 of the 'Balance Book,' upon which are recorded copies of all trial balances, balance sheets, etc., to which no one would think of looking for an original entry.

"It must be obvious in view of all the foregoing facts, that the Capital Stock Account has been so complicated by the manipulations of successive years—especially since 1865—that it is true balance cannot possibly be determined until the

*Some of those printing presses had been in use many years; did that increase their value? The $11,000 increase was taken off the next year.

investigation is completed by a thorough examination of all the records of the business in its various departments, and a complete valuation and scrutiny of the assets and liabilities of the Concern.

"The propriety of alternately reducing and advancing by the amount of estimated or anticipated profit, the valuation of the real estate, whereby the books may be made to show any required amount of assets, is certainly questionable; and it is difficult to understand why the sum of $69,384.23, subtracted from the value of 'merchandise on hand,' January 1, 1862, should have been returned to the Capital Stock November 30, 1869; for if there was in 1862 undervaluation, its effect was only to increase the profit when the merchandise was sold; and if the merchandise thus reduced had remained on hand until November, 1869, then the errors of undervaluation in succeeding years, which were the alleged justification of farther reductions, amounted to considerably more than that sum."

Mr. Gunn further says, "It is not to be understood that the Capital Stock Account having been credited with $186,105.30, now shows the true balance, but only that certain sums previously subtracted, and amounting in the aggregate to $186,105.30, were on November 30, 1869, added to the Capital Stock Account; for the books show that, notwithstanding that addition, there was on November 30, 1869, a discrepancy of $54,372.11."

This "discrepancy" added to the above fictitious addition of $186,105.30, shows that when the frauds were discovered in 1869, there was a deficit in the books of $240,477.41.

Was not the above addition of $186,105.30 an easy way to make up deficits and correct "discrepancies" when the charge of fraud was impending? It is one of the many reasons why Dr. Carlton and his Book Committee were opposed to an examination of the books, except by accountants chosen by himself, and who were to report to himself. Thanks to the Providence that ordered the selection of Mr. John A. Gunn, the Presbyterian, who could neither be used nor bribed. Yes, and thanks to the same overruling Providence that caused Mr. Gunn to seek a private interview with Bishops Janes and Simpson, who advised him not to allow his report to be smothered, which led him to deliver it to Dr. Carlton in a printed "form," which prevented it going in manuscript into the hands of Mr. J. Van Vleck, who was so anxious to serve Dr. Carlton, that he wanted to write a report on the books which he had not examined.

REPORT OF E. H. GOUGE.

The few selections I have given from the report of Dr. Carlton's accountant so fully establish my charges as to the chaotic and fraudulent condition of the books of account, that I shall give only a part of the report of my accountant. When he had finished his report, another accountant examined it and tested its correctness. This explains Mr. Appel's note appended to the report.

REPORT OF E. H. GOUGE.

New York, January 9, 1871.

Rev. JOHN LANAHAN.

Sir.—Having been employed by you to make an examination of the books of account of the Methodist Book Concern, I beg leave respectfully to submit the following report:

The books are not kept in that clear and intelligible manner that should characterize books relating to any business, but rather in a very bungling and inaccurate manner, neither correct in theory or fact.

It is impossible to tell what the original entries were in many cases, on account of the erasures that have been made; and in other instances alterations have been made without any explanation whatever, so that it is impossible to tell whether the entries are correct or not.

Information that is absolutely necessary to the proper transaction and dispatch of business furnished by some of the books is very meager and unsatisfactory; as, for instances, the Bills Receivable Book in the majority of cases does not contain a record of where notes due the Concern are payable, or how long they have to run; and when they are paid, the simple remark "Paid" is made on the margin,

without any reference to dates. The same is true of the Bills Payable Book; the place where and the time when notes due by the Concern are payable is not recorded.

In my experience as an accountant for more than twenty-five years I have never seen or known a ledger to be used as a book of original entries, which I find to be the case in this examination; as, for instance, whatever is standing to the debit or credit of Profit and Loss at the end of the year is transferred bodily from one account to the other, and so with Merchandise, Expense Account, Bindery, Printing Office, and many other accounts, instead of being properly journalized.

The only entries that are made in the Journal are the sales, and in all other cases the cash books are used as journals, and a great variety of entries, other than of cash, are made there indiscriminately and improperly with the cash.

The accounts with the Bindery do not exhibit a correct statement of its profits, or what it owes the Concern. I understand the account to be kept by charging it (the Bindery) with the amount of stock on hand, with the materials purchased and amount expended in wages; and at the end of the year it is credited with the value of work turned out and the inventory of stock on hand. The value of the work turned out is estimated by taking the actual cost of the materials and wages and adding 25 per cent. Upon this basis there cannot be such a thing as a loss in the Bindery. The Concern must always show a profit; and yet in the year 1864 there appears to have been a loss in the Bindery of $4,254.50.

The inventory of the Bindery of November 30, 1864, is entered as $161,641.08, and upon that basis a profit is shown of $18,908.39. In 1865 it is claimed that this inventory should have been $138,478.19. Allowing that the error of $23,162.89 did actually exist, a correct statement of the Bindery account on November 30, 1864, would show a loss of $4,254.50. It is difficult to see in what manner any error in the amount on the inventory could have arisen, since the inventory itself is the original record from which the entry in the Ledger is made. This shows the amount to be $138,478.19, and the entry of $161,641.08 on the Ledger is a false entry. . . .

In Merchandise account, December 31, 1862, page 239, Ledger O, a difference of $69,384.23 in the inventory January 1, 1862, is credited. There is no record to show how the difference arose or what it consisted of, the Ledger being used as a book of original entries.

Periodical account, page 201, Ledger O, December 31, 1861, is credited with "debts due," $20,964.00; $10,000 of this amount is brought forward from the beginning of the year, and the remainder, $10,964.00, has been interlined after the account was balanced. The interlineation is proved by the footings.

The footings, as they stand now, are $101,965.01. The correct footings are $112,929.01.

The effect of this entry is to show a seeming increase of the amount of profits on periodicals of $20,964.

On page 6, Ledger O, Brown Brothers & Co., of this city, are charged with "cash on deposit," during the year 1861, amounting to $20,900.00, and on December 31, 1862, credited by cash, $292.14, and the balance, $20,607.86, is carried to profit and loss, thus making them appear as indebted to the Concern to the amount of $20,607.86, and unable to pay it.

The inventories of merchandise on hand appear on the inventory books as follows:

Dec. 31, 1862	$110,932.06
Dec. 31, 1863	128,390.22
Nov. 30, 1864	136,039.88
Nov. 30, 1865	135,644.62
Nov. 30, 1867	157,969.02

On the ledger they are entered as follows:

Jan. 1, 1863	$112,460.36
Jan. 1, 1864	130,390.22
Nov. 30, 1864	138,238.40
Nov. 30, 1865	137,644.62
Nov. 30, 1867	105,596.11

The inventory of merchandise on hand for 1868 on the inventory book is $161,403.99, and by a deduction of 15 per cent. it is reduced to $130,738.04, and on the ledger it is entered $140,895.52.

On the debit side of the capital stock account, Ledger O, page 261, I find the following entry: "To P. & L. for cor. of errors, $54,372.11"; and this amount is credited to profit and loss account, page 115, Ledger O; or, in other words, entered as a profit. If an error really did occur in the inventory the net assets on November 30, 1867, should be $618,479.41, instead of $672,851.52; and on November 30, 1869, $948,057.94, instead of $1,002,430.05, as appears on the ledger.

On the trial balance, taken November 30, 1869, the following items appear:

"Additions to Real Estate."

Mulberry and Mott Streets	$80,000.00
Pittsburgh	5,349.20
San Francisco	28,000.00
Added to Mdse. Inventory	61,365.44
Added to Printing, old Printing Presses	11,400.00
Total	$186,114.64

In regard to the $11,400, the words used in the inventory book are: "Increased value of 'presses,'" (and not "added to printing department,") $11,400; which total is carried to the credit of profit and loss account, made to increase the profits of the year, and added to the assets of the Concern. The several accounts are debited with the increased values, as above. The trial balance book is made the book of original entries in this case, and the ledger entries are posted from this book. . . .

It appears by the books, from 1861 to 1868, inclusive, that the Concern has lost by interest account the sum of $8,-704.99, which seems quite extraordinary, judging from the large cash balance on hand at the end of each month.

On page 108, Ledger "P," Elihu Grant's account, I find these entries:

Nov. 30, 1870. By additional salary, 1869	$1,000.00
Nov. 30, 1870. By salary to date	3,000.00
	$4,000.00*

*About the same time Mr. Grant had borrowed from the Senior Agent $1100.

Thus having been paid four thousand dollars for one year's services.

Very respectfully yours, E. H. GOUGE,
Accountant.

I certify that I have examined the books of the Methodist Book Concern and the above report, and I find the report correct.

CHAS. A. APPEL,
Accountant.

Of the increase of Elihu Grant's salary, I knew nothing till I was informed by my accountant. I was informed by the assistant book-keeper that at the same time Dr. Carlton had added a $1,000 to the salary of his nephew, the clerk in charge of the store; and $500 to the salary of the cashier, his brother-in-law; and $500 to the salary of the young man who was called assistant cashier, but was only a post office runner. That young man was brought to the Concern by Dr. Carlton in the third year of my Agency without a word of consultation with me. I knew not where he came from. Before he had been there long I learned that he had gotten to speculating. Sometime after my connection with the house had ended, the New York papers announced that he was under arrest for stealing $15,000 of the Bonds of the Book Concern, and $4,000 in money. The easy way in which the frauds I had unearthed were disposed of, may have emboldened him in the theft. If I had been connected with the Concern at the time, I might, perhaps, have been charged with giving publicity to the theft, and "inspiring the criticisms of the press." What was done with the unfortunate young man, I never inquired. I withhold his name.

SUPPRESSED REPORT OF AN ACCOUNTANT, MADE SEVERAL YEARS BEFORE I BECAME ONE OF THE AGENTS.

As far back as 1860, there were misgivings as to the management of the Book Concern, the Agents, in their report to the General Conference, referring to the matter thus: "In the course of our business, we have met with complaints in the papers which have done injustice to the Church and its officers in the Book Concern. For example, it has been represented that the Concern has been badly managed. It has been compared with certain private publishing houses, and it has been said that the sales and profits have been small for capital invested, etc., etc."

After the presentation of the report from which the above is quoted, the General Conference adopted the following, in regard to both the Houses, East and West:

> Resolved, That the Agents and Book Committee be, and hereby are, instructed to have the accounts of the Concerns in their care examined and audited annually by a competent accountant, and the report of such examination laid before the Committee at their annual session.

This, however, was never done for a single year, at least in the New York House. It is

certainly singular that the Agents were to be a part of a committee to "examine and audit" their own accounts. I should have asked to be excused from having anything to do with such matters except as questioned by the Committee. I judge it was an oversight.

Under the above resolution the General Committee appointed two of its members; one a resident of New Jersey and the other of New York, to act with the Agents in having the accounts examined and audited. An accountant was employed, who, August 15th, 1862, made the following report, not, however, to the Sub-committee, nor to the General Committee, but to the Agents, which shows that they, or one of them, controlled the whole matter:

Messrs. Carlton and Porter:

Gentlemen.—Some weeks ago I called at the Book-room, at your request, to examine into the feasibility of examining and auditing the accounts of the Methodist Book Concern. After a hasty glance at the number and character of the accounts, I expressed the opinion that an examination such as was proposed would be of no practical value, unless it was made thorough by tracing every entry back to its source, which would be so laborious that it would be impossible to make the examination in the time that could be devoted to the work.* A subsequent critical investigation of the nature of the accounts, and of the manner in which they are kept, has more than confirmed me in the opinion then expressed. It is, of course, impossible to say just how much time would be needed to make the examination, but I do not hesitate to say that, if the work were

* I suppose the accountant meant "the time" *he* could devote to the work as he was at that time, and had been for several years, permanently employed as book-keeper in a large commercial house in New York. An accountant could easily have been gotten whose entire time was devoted to just such work.

performed by an accountant sufficiently master of his business to do it well, it would be a labor of months to examine and audit the accounts of the Concern for a single year.

We subsequently held some conversation about the various methods of keeping accounts, and their adaptation to the nature and peculiarities of the business to be transacted; and before leaving, I was requested by you to examine into the method or system of accounts kept by the Concern, and to make a report thereon, including in it suggestions as to changes in the system that I might think could be advantageously made.

I have accordingly examined somewhat closely into the nature of the business transacted, and the manner in which the accounts are kept, and, as the result, beg leave to make the following report.

The books of the Concern appear to contain a full record of the business in all its departments. As far as my observation extended, I discovered no omission in recording every fact that was necessary to a perfect understanding of the business, or to a full statement of its results. In the manner of arranging the accounts, however, they are faulty. An effort seems to have been made to have the books kept systematically, but the system adopted is not sufficiently comprehensive, and does not include all the accounts. Some of them are kept methodically and correctly, others amount to little more than disconnected memoranda; the consequence of which is that the books fail to show the exact results of the business.

This may seem strange, but we have only to analyze one or two of the leading accounts to make it clear.

Take, for example, the Merchandise account. The main thing to be learned from this account is the gross profit made by the manufacture and sale of books during the year. To do this, it is requisite that the debit side of the account should show the entire cost of the goods included under the head of Merchandise, and the credit side the entire proceeds realized from their sale. Having these two items, the total cost and the amount of sales, we have but to add to the debit side of the account the amount of stock on hand at the beginning of the year, and to the credit side the amount on hand at the end of the year, and the balance then standing at the credit of the account will be the profit made on the year's sales.

Let us see how far the books, as now kept, succeed in giving us these facts. One great element of cost in making books consists of wages paid to printers, book-binders, etc., and to authors for copyrights, and all disbursements for these objects should in some way be debited to the Merchandise account. The practice of your accountant is, however, to charge these disbursements to other accounts, and the consequence is, the Merchandise account shows at the end of the year an amount of profit fictitious to an extent just equal to the amounts paid for the above objects.

Again: the item of wages, alluded to above, instead of going into its proper channel, finds its way into an account called "Salaries and Wages." This account is, or should be, purely an expense account, and is properly chargeable with no items except such as are a necessary expense in the general management of the business: by charging to it, therefore, items that really constitute a part of the cost of the goods in which you deal, you show an amount of expense that is to a large extent fictitious.

The accounts with the different periodicals would naturally be considered of great importance, but in these the books are deficient to a much greater extent than in the accounts to which allusion has already been made. The books should show the cost, receipt, and profits of each one of the periodicals published, but, in reality, they give us no information whatever on either of these points. The cost of the paper on which the periodicals are printed is charged to the Merchandise account, and the wages paid to printers, etc., are charged to the account of "Salaries and Wages," while the accounts with the subscribers are kept in books entirely disconnected from the set which should represent the whole business, and in such a way as to give us no information as to the amount of subscriptions received for any one of the periodicals, or, indeed, for all of them combined.

The accounts with the different Depositories also fail to give us the information they should as to the results of the business done by them. The amount of sales, profits, and expenses of each Depository, instead of appearing distinctly and by themselves, are merged into the general accounts of these items, which include the business done at the Book-room as well as at the different agencies.

The above instances are probably sufficient to indicate the principal deficiencies of the method of keeping the accounts now in use, viz., that they are not so arranged as, in the ordinary routine of the business, to gather the various aggregates of the business under proper heads, so as to show easily, yet clearly, the exact results of the business.

As I have before remarked, every part of the business appears to be fully recorded in the books, and it is possible, by analyzing the accounts, taking an item here and another there, to make at the end of the year a statement of the results of the business, but the necessity for making this analysis proves the incompleteness of the system used. If the system be a good one, and well adapted to the nature of the business, every item of disbursement and receipt, whether of expense or of profit, will be classified and appear under its proper head, and at the end of the year the profit and loss account will show at its debit the total amount of losses and expenses, and at its credit the profits made, together with the sources from which they are derived.

There is nothing in the nature of the business of the Book-room that would render it at all difficult to arrange the books so as to show these results, and I will now attempt to suggest a plan of accounts that will meet the requirements of the business in this respect.

(Then follows the plan suggesting the manner of keeping accounts with the several depositories, printing-office, bindery, periodicals, etc.)

It will be observed that the report is all about the "method or system" of keeping the accounts. After quoting the report, Mr. Gunn, with his usual moderation, says:

I need not add a word concerning the book-keeping prior to the date of that Report, except only to say that, as it was not that gentleman's purpose to audit the accounts, but only to examine the system of book-keeping employed, there were some features of the books at that time which probably did not come under his observation, and which would undoubtedly have modified in some measure his

opinion concerning the fullness of the records, and the possibility of making therefrom at the end of the year a correct statement of the results of the business.

The following is from the report of the Book Committee that had been ordered to have the accounts examined and audited. Journal, 1864, page 339:

In accordance with instructions given by the last General Conference to the Book Agents and Book Committee "to have the accounts of the Book Concern audited"; one of the most competent accountants in New York was employed, to whose inspection (accompanied by one of our number) said accounts in all departments of the "Concern" were submitted without reserve; and who, after a thorough investigation, made an able and elaborate report, in which he remarks: "An examination such as is proposed will be of no practical value unless it is made thorough by tracing every entry back to its source." "It is of course impossible to say just how much time would be needed to make the examination; but I do not hesitate to say that if the work were performed by an accountant sufficiently master of his business to do it well, *it would be a labor of months to examine and audit the books of the Concern for a single year.*"* "The books of the Concern appear to contain a full record of the business in all its departments. As far as my observation extended, I discovered no omission in recording every fact that was necessary to a perfect understanding of the business, or to a full statement of its results." These opinions, reached after careful deliberation, harmonizing with the views of the Agents and the Committee, they deemed it inexpedient and needless to push the investigation further.

The remarkable fact must be noticed, that instead of giving the whole report of the accountant, the above gives only two and a half sentences from it, and that they are so picked out as

* Why were the above quoted words *italicised?* They were not so in the report.

to separate them from their connection. What does that suggest? Does not the statement that "It would be a labor of months to examine and audit the accounts of a single year," coupled with the additional statements that "Some of the accounts are little more than disconnected memoranda," and that "it is possible, by taking an item here and another there to make out at the end of the year a statement of the results of the business," show the absolute jumble of the accounts? Could a more chaotic system of bookkeeping be imagined? The accountant evidently gave but little time in examining the "system," but Mr. Gunn, as we have seen, who spent fifteen months in examining both the system and the correctness of the accounts for more than twelve years, affirms the "impossibility of making therefrom at the end of the year a correct statement of the results of the business."

Although the accountant, in effect, admits that his examination was not of a kind to be of any practical value, he nevertheless says, "The books of the Concern appear to contain a full record of the business in all departments." I have sometimes inquired whether the accountant put that statement and the like one given above in his report, or whether it was interpolated, it is so out of harmony with his other statements about the "disconnected memoranda," and the necessity of "taking an item here and another there" to ascertain the yearly results of the business. But the Agents and Sub-

committee were so fully satisfied "that they deemed it inexpedient to push the investigation further." If the report had been made to the General Conference at any other time than 1864, when the nation was convulsed with war, and when unusual attention was given to the same, I think that body would have "pushed" both Agents and Committee aside and appointed persons who would have had the accounts "examined and audited" by "tracing every entry back to its source."

The famous Book Committee of 1868 to 1872, that gave so much attention to me, in their report to the General Conference, speak thus of the above report:

During the year 1862, in pursuance of an order from the General Conference, the books and business methods of the Concern were subjected to an unusually scrutinizing examination by a competent accountant, under the direction of the Book Committee. . . In their report to the General Conference of 1864, they make special mention of this examination and precede it with the following emphatic endorsement: "Careful investigation has satisfied us that the Agents in charge of the Concern are interested, capable, and faithful men. Each successive year the conviction has strengthened that they are the right men in the right place." (General Conference Journal, 1872. Page 590.)

Is it not fair to infer that if the result of the "unusually scrutinizing examination" had suited their policy, they would have given the whole report instead of the two flattering sentences complimentary to the Agents? I am in charity disposed to believe they never saw the report.

Their practice was to believe and do whatever the Senior Agent told them, and disbelieve whatever I laid before them, however corroborated by incontrovertible evidence, and thus they became inextricably involved, and were as truly on trial as the management of the Book Concern, including both Goodenough and Hoffman. Sad spectacle! Painful to record. But the truth must be told to silence men who persist in misleading the Church.

ACCOUNTS AND FINANCIAL METHODS.

In presenting further examples of the financial methods, I will show the well nigh incredible character of those methods. I have already given from Mr. Gunn's report to Dr. Carlton, the following, and here repeat it to connect it with explanatory facts:

As evidence that amounts have been carried to profit and loss without proper adjustment and without intelligible explanation, I refer you to the Depository accounts, by which it appears that in 1866 there was placed to the debit of profit and loss upon only an *estimate* of *probable* error, not after the amount of error had been *definitely ascertained*, the sum of $76,528.31, the only explanation being " for errors in Depository sales "; and that in nearly every successive year these accounts have been closed " by profit and loss " for differences between the books of the Agents and those of the Concern, not *after*, but *without* adjustment, and without such explanation on the books as would enable one not acquainted with the facts to see the propriety of the entry.

The only entry in the books having any relation to above $76,528.31, is in cash book " Z," folio 26, November 30, 1866, as follows:

" Boston Depository,	amt.	charged	to	P. & L.	.$45,812.05
Buffalo	"	"	"	"	22,419.69
Pittsburgh	"	"	"	"	8,296.57
					$76,528.31

Error in reporting monthly sales during the years 1863, 1864, 1865 and 1866. These amounts charged to Profit and Loss by order of Agents."

What kind of financial methods must they have been to allow such "errors" to run through four successive years? There were no such errors in the Boston Depository; the agent was a business man of marked exactness, as the following letter from him to Messrs. Carlton and Porter shows:

Boston, Feb. 1, 1867.

Messrs. Carlton & Porter:

Dear Brethren.—Herewith I send statement of stock account for four years, in comparison with your statement sent to me:

1863, December 31.—Merchandise to date, I allow more $376.29.

Conference collections, $1,011.03, is a mistake. The cash was remitted for them, and not counted at all in my charge of remittances of Depository.

Buffalo Depository, $1,500, all wrong; no such charge should be made to Boston Depository.

CR.

You allow me cash more than I charge.....	$65 20
You allow for books sent to New York.....	93 75
Whereas it should be $609.19.	
You do not credit books to editors.....	46 79
You do not credit cash for freight on Repository..	171 60
You do not credit for freight on Cincinnati books..	12 43

1864.—Merchandise received you charge $41 more than I received. Periodicals, I allow $2,075.04 more than you charge.

Collections, I paid all separately; no charge to be made.

CR.

I sent cash more than allowed.....	$255 53
I sent books more than allowed.....	268 10
I sent books to editors not credited.....	35 50
Freight on Cincinnati books not credited.....	36 22
1865.—You charged for books received from New York more than I received.....	$2,688 06

You do not charge any periodicals. I acknowledge 13,805 71
You charge for collections..... 405 67
I acknowledge 909 28

CR.

You credit me cash more than I sent..... $576 59
(This grows out of collections, I presume.)
You credit books sent to New York $178.98 less than I sent.
You did not credit books to editors..... 45 58

1866.—You charge me books sent $4250 more than I received; which is what I credit for Depository from Cincinnati, which you do not charge.

Then you charge me Poe & Hitchcock's account, which is the same thing over again.

You credit me cash $976.70 more than I sent on Depository account.

I sent books $26.88 more than credited.

Freight on Cincinnati books not credited, $40.71.

Yours truly, J. P. MAGEE.*

THE PERIODICAL ACCOUNT.

That account, upon examination, was found to have been kept in such a manner as to create a wrong impression of the condition of the business, and in such a way that almost any interpretation could be placed upon it.

The account shows the following gains in the years as specified:

In 1861	$85,973 56
" 1862	80,959 10
" 1863	29,522 44
" 1865	31,527 03
" 1866	17,933 84
" 1867	55,025 04

* The aggregate of the above muddle is only about $19,456.72, and does not explain the $76.528.31 charged off for correction of errors.

But the above is not all—the profit and loss account shows that in 1868, $5,262.39 more was charged off as a "loss" to the Boston Depository.

and losses in years as follows:

In 1864	$6,585 82
" 1868	12,037 38

The subscription list and the advertising business of the periodicals, during these years, show a marked uniformity. No good reason can be given for such variations. If the book-keeping were correct and honest they would not appear.

From 1863 to 1868 inclusive, the following table shows a remarkable discrepancy between the average monthly cash balances as per cash book, and the books of the Shoe and Leather Bank, where the Book Concern deposits were supposed to be kept:

Average monthly cash balances, as per cash books:

1863	$17,088 43
1864	20,697 00
1865	12,219 66
1866	13,605 12
1867	72,916 03
1868	87,397 94
	$223,924 18

Average monthly cash balances in bank, as per statement of A. V. Stout, President Shoe and Leather Bank.

1863	$23,800 00
1864	28,400 00
1865	19,500 00
1866	27,100 00
1867	26,400 00
1868	51,100 00
	$176,300 00

Aggregate difference between cash book and bank, $47,624.18.

From the account books I ascertained that, notwithstanding the above large monthly cash balances during these years, the Concern paid in interest, over and above the interest received, as follows:

1863	$ 811 26
1864	294 12
1865	583 73
1866	2,218 40
1867	1,710 40
1868	1,314 04
	$6,932 15

I shall be able to show that large sums of the Church's money, instead of being in the Shoe and Leather Bank to the credit of the Book Concern and the Missionary Society, were in Dr. Carlton's personal and private account. Whether he "derived incidental benefit," I shall leave the reader to judge from the facts given.

But there is another collateral fact to which attention must be called. When we moved the store and offices from the old building, 200 Mulberry Street, to the new one, 805 Broadway, Dr. Carlton and myself left our old desks at the former. As the manufacturing department remained at 200 Mulberry Street, my duties called me there almost every day. Dr. Carlton's old desk being more conveniently located than mine, I had occasion to use it, and found in it a check book and a large number of cancelled checks, representing large sums of money. Upon examination, I found that many of the

checks were in favor of "Carlton and Porter," and others in favor of "Carlton and Lanahan," thus showing connection with the Book Concern. For obvious reasons, after consulting several friends, and upon legal advice, I took charge of them, hoping for an occasion when I could get an honest examination, which I certainly should have gotten if the Carlton-Goodenough suit had come to trial. In view of my painful experience with the Book Committee I could not trust them in their hands. They would have referred them to Dr. Carlton, and a few remarks from him would have satisfied them. I exhibited them to some of the most prominent ministers and laymen, who expressed the opinion that they furnished probable evidence of an improper use of the money of the Church. I hoped to have an opportunity to present them to a committee which I knew would have to be appointed at the approaching General Conference, to examine my charges of mismanagement and frauds. When the General Conference met such a committee was appointed, but, strangely, I was not permitted to appear before it, nor before any member of it, to prove even the charges embodied in my printed report which had been referred to it, although Dr. Carlton, Mr. J. P. Kilbreth, Goodenough and the like, were in constant communication with some of them. Thus the checks have remained in my hands unexamined, and I now make them a part of this narrative, hoping that even at this late

day I may secure an examination not only of them, but also of other closely related matters of great magnitude.

It is proper to state that during my four years in the Book Concern as one of its Agents, I heard no more of the finances than if I had no connection with it. I never drew a check nor handled a dollar. Dr. Carlton had the sole management of the monetary affairs, not only of the Book Concern, but also of all moneys that came there for the various connectional interests of the Church. He was also Treasurer of the Missionary Society. Many of the checks are to himself as Treasurer. The following is a statement of the amounts drawn out of his personal account in the "Shoe and Leather Bank," as per check book and checks. He also appears to have had deposits elsewhere.

1862.

According to the check book and checks, he drew out of his personal and private account in the Shoe and Leather Bank $99,181.78, in amounts ranging from $5,000 to $20,000 at a time. All my statements of the frauds committed were so constantly and persistently denied, and attempts made to explain away facts, that I deem it proper to give a few sample copies of the checks:

New York, January 20, 1862.

Shoe and Leather Bank:

Pay to the order of Missionary Society, Twenty-Six Hundred and Twenty-Four Dollars.

$2,624.00. THOS. CARLTON.

Strange to say this check has no endorsement, but, I judge it was credited to T. Carlton, Treasurer.

New York, April 5, 1862.

Shoe and Leather Bank:

Pay to the order of the Missionary Society, Fifty-Seven Hundred and Twenty-Seven Dollars and Thirty-two Cents.

$5,727.32. THOS. CARLTON.

Endorsed "C. & P." and "T. C. Treas."

Many of these checks endorsed "C. & P." appear to have been deposits to Carlton and Porter's credit, but in the above case, "C. P." & "T. C. Treasurer," added, may mean that it was deposited to the credit of T. Carlton, Treasurer, and that although the money was drawn from T. Carlton's personal account, it was the property of the Book Concern. Nothing but an examination can explain these singular matters.

New York, April 26, 1862.

Shoe and Leather Bank:

Pay to the order of Shoe and Leather Bank, Twelve Thousand, One Hundred and Fifty-Eight Dollars.

$12,158.00. THOS. CARLTON.

The endorsement shows that it was in payment for purchase of certificate of stock.

Another check is to E. Green, Ext. for $12,300, and another for $5,000, payable to T. Carlton, Treasurer, &c., &c.

Another is to "D. Devlin, City Chamberlain," for $20,000.

1863.

The amount drawn was $67,668.11, in checks of $5,000, $10,000, $20,000, &c. Some of the

checks are in favor of Carlton and Porter, T. Carlton, Treasurer, and some to Chas. T. Carlton, his son. The following is a copy of one of these checks:

New York, March 2, 1863.

Shoe and Leather Bank:

Pay to the order of Thos. Carlton, Treasurer, Five Thousand Dollars.

$5,000. THOS. CARLTON.

The endorsement is, "Pay to Daniel Denham, Jr. or order, Thos. Carlton, Treasurer." Under that endorsement is the following: "Daniel Denham, Jr."

Daniel Denham, Jr., was brother-in-law to Thos. Carlton and cashier of the Book Concern, and is in that position yet. Did he receive the above from the Missionary Treasurer.

Another check for $1,077.50 to Daniel Denham, Jr., is endorsed, "Daniel Denham, Jr., C. & P." The initials "C. & P." suggest that it may have been deposited to the credit of Carlton and Porter, Agents, of the Book Concern. But some of the checks to "S. J. Goodenough" are endorsed with his name, and the initials "C. & P." added, whilst the notes on the stubs of the check book show that they related to matters connected with the great Petroleum Oil Companies of the Book Concern.

1864.

The amount drawn was $23,874.05, in favor of Carlton and Porter, Thos. Carlton, Treasurer, and others.

1865.

The amount drawn was $434,432.20. The following are copies of some of the checks:

New York, February 8, 1865.

Shoe and Leather Bank:

Pay to the order of T. Carlton, Treasurer, Twenty Thousand Dollars.

$20,000. THOS. CARLTON.

Endorsed by "Thos. Carlton, Treasurer."

New York, April 11, 1865.

Shoe and Leather Bank:

Pay to Mangam, Jenkins & Co., or order, Fifty Thousand, Nine Hundred and Forty-Nine Dollars and Seventy-five Cents.

$50,949.75. THOS. CARLTON.

Endorsed "Mangam, Jenkins & Co."

April 26th $11,157.54 was made payable to the same parties, and endorsed by them. The next day $10,962.75 was drawn to the same firm and endorsed by them, making in all $73,070.04 paid to Mangam, Jenkins & Co., Stockbrokers, in sixteen days. With the above $20,000, and one of $6,000, to T. Carlton, Treasurer, not previously mentioned, the checks show that $99,000 were withdrawn from his personal and private account in a few weeks.

The above were followed by other checks in favor of Carlton and Porter, aggregating $23,500 in ten days, all of which were endorsed "Carlton and Porter."

Next comes the following:

New York, July 13, 1865.

Shoe and Leather Bank:

Pay to the order of H. A. Heiser & Sons, Twenty Thousand, One Hundred and Forty-Five Dollars and Forty-eight Cents.

$20,145.48. THOS. CARLTON.

Endorsed "H. A. Heiser & Sons."

In the meantime, checks to S. J. Goodenough, amounting to $3,700 were drawn. They appear to have been given in connection with the Oil Companies heretofore mentioned.

These were followed by several checks to Carlton and Porter, aggregating $24,500 in a few days.

The following is a copy of a check drawn:

New York, September 14, 1865.

Shoe and Leather Bank:

Pay to the order of.....

Fifty-Seven Hundred and Sixty Dollars.

$5,760.00. THOS. CARLTON.

On the back of the check, in pencil, are "C. & P." "C." The name of the payee is not given. The bank's cancellation shows, however, that it was paid, but to whom is not stated.

Others of the checks are to Carlton and Porter, T. Carlton, Treasurer, &c.

The following appears:

New York, October 18, 1865.

Shoe and Leather Bank:

Pay to the order of Charles T. Carlton, Fifty Thousand Dollars.

$50,000.00. THOS. CARLTON.

This is followed three days later by two others of $5,000 and $25,000; and these ten days after,

by one of $10,000, and another of $20,000, all drawn in favor of his son, Charles T. Carlton, the whole aggregating $110,000 in a period of thirteen days. All of these checks are endorsed "Charles T. Carlton."

Another check reads:

New York, October 21, 1865.

Shoe and Leather Bank:

Pay to Henry A. Heiser & Sons, or order, Forty-Two Thousand Dollars.

$42,000.00. THOS. CARLTON.

Endorsed by Henry A. Heiser & Sons.

The aggregate of these checks shows that $152,000 was drawn out of his personal account in less than two weeks.

The above are followed by numerous checks of $5,000 and $10,000, drawn to T. Carlton, Treasurer, and Carlton and Porter, and also by one of $1,000 in favor of John E. Stevens, his nephew, September 8, 1865, endorsed "Jno. E. Stevens," with the initials "C. & P." directly underneath, in the handwriting of T. Carlton, indicating that though the amount originally was drawn from Thos. Carlton's private account, that in some way the money would come ultimately from the funds of the Book Concern.

1866.

The amount drawn according to check book and checks, was $125,402.90, to different persons, Carlton and Porter, Thos. Carlton, Treasurer, &c.

A stub of the check book shows the following entry:

"Carlton and Porter, $45,000" (without date). There is no check among those in my possession of that amount, but there are the following checks:

New York, July 20, 1866.

Shoe and Leather Bank:

Pay to the order of Thos. Carlton, Treasurer, Fifteen Thousand Dollars.

$15,000.00. THOS. CARLTON.

Endorsed "For Deposit, T. Carlton, Treasurer."

Of the same date, one for $10,000 to T. Carlton, Treasurer; another on July 26, for $10,000 to T. Carlton, Treasurer; and one on July 20, for $10,000 to Carlton and Porter. These aggregate $45,000, and seem to answer to the memorandum in check book referred to above, only, however, as to amount. Nothing less than an examination can explain it. Why should the Senior Agent be constantly paying such large sums to Carlton and Porter, and to T. Carlton, Treasurer?

The check book shows that Dr. Carlton frequently made deposits of interest in his personal account in sums ranging from $100 to $1,800. The following is a copy of one of his checks:

New York, December 29, 1863.

Shoe and Leather Bank:

Pay to error in interest, One Hundred and Sixty-One Dollars and Sixty-two Cents.

$161.62. THOS. CARLTON.

The note on the stub of the check book is: "Error in interest in Shoe and Leather Bank, $161.62." The above looks as if it was the return of overpaid interest.

The check book shows that Dr. Carlton kept large deposits in his personal account in bank of bonds and United States certificates; thus, at one time $50,000, at another, United States certificates for $50,000; at another time, $40,000.

If the above was his property, the deposit in his personal account was proper. If it was the property of the Methodist Episcopal Church, should it not have been deposited to the credit of Carlton and Porter, or to Thos. Carlton, Treasurer? The facts cannot be known without a careful examination. I used every possible means to secure such examination but failed, because Dr. Carlton, his Book Committee, and Mr. E. L. Fancher opposed me. If Dr. C. C. McCabe will give the weight of his great influence to secure an examination it can soon be ascertained whether he was, or was not, mistaken when he confidently declared on the floor of the last General Conference that "the Church never lost a dollar by any one of its Agents."

But the above is not all. Having learned that Dr. Carlton had large deposits in the Sub-treasury, at New York, I applied to the Sub-treasurer, who stated that he was not allowed to give any information in regard to deposits. Being intimately acquainted with President U. S. Grant, I went to Washington, and found that he was much interested in the Book Concern controversy. After hearing a brief statement, he gave me a letter to Hon. Geo. W. Boutwell, Secretary of the United States Treasury, who gave me an

order on the Sub-treasurer, at New York, from whom I received a tabulated statement of the deposits of "Thomas Carlton, Treasurer," showing "date of deposit, amount, interest, when paid, and number of certificate." That statement lies before me as I write. In 1863, the amount was $50,000, in 1864 the amount was $140,000; in 1865 the amount was $75,000.

In a recent correspondence with the present treasurer, Dr. H. Eaton, I was informed that no record of these loans of the Society's money was found "though diligent search has been made."

1867.

The amount drawn was $38,410.00 to Carlton and Porter, one to Thos. Carlton, Treasurer, for $15,000, etc.

The bills receivable account of the Book Concern, a copy of which now lies before me, has this entry: "November 30, 1867, T. Carlton, Treasurer, $45,000, paid." Nothing is said as to when or where it was to be paid.

If the above $45,000 is the same transaction as that of 1866, noticed above, it looks as if T. Carlton had had that amount in his private account nearly a year before it was entered in the "Bills Receivable" account, or paid, and that he may have borrowed it from Carlton and Porter, in the name of "T. Carlton, Treasurer," when it was for his own personal use.

1868.

The checks are to Thos. Carlton, Treasurer, and Carlton and Lanahan. The amount is comparatively small, and the checks are from a check book different from that in my possession.

At one of the meetings of the Book Committee, Rev. James Pike raised the question whether the Book Concern ought not to receive interest on its large balances in bank. The day following, Dr. Carlton presented to the Committee a letter, a copy of which is now lying before me, from Mr. A. V. Stout, President of the Shoe and Leather Bank, of date, November 6, 1869, in which he says: "We never have, and do not now allow interest on individual or corporate accounts except banks, and in the case of banks, the deposits are always large." I shall show that Mr. Stout's statement was incorrect.

When my mandamus suit was pending in court the following affidavit was presented in reference to the accounts in the Shoe and Leather Bank:

AFFIDAVIT OF MR. KISSAM.

City and County of New York, ss.:

William A. Kissam, being duly sworn, says: I was Cashier of the Shoe and Leather Bank from its organization in 1853 to the 31st of January, 1866. I knew Thos. Carlton during the most or all of this time. Thomas Carlton was, as I understood, one of the Agents of the Methodist Book Concern, in the city of New York. A Mr. Phillips was his associate during a portion of this time, and Dr. Porter during the remainder. In or about 1853 or 1854 an account was opened with the Shoe and Leather Bank in the name of Carlton and Phillips. Afterward this

account stood in the name of Carlton and Porter. I always understood that they were the representatives of the Methodist Book Concern, and that these accounts were in fact the accounts of said Book Concern.

There was also an account kept in the name of Thomas Carlton, Treasurer, but I do not recollect when that account was opened. The said account was still open when I left the bank. I do not know that Thomas Carlton was interested in any other account, unless he had a private account there, of which I cannot speak positively. The bank allowed Thomas Carlton, Treasurer, interest on his average balances. Those balances were at times considerable amounts. The rate of interest allowed was 4 per cent., and sometimes 5. This interest was paid by giving a cashier check to the order of Mr. Carlton, Treasurer. These checks would be entered first to the credit of the cashier's account, and when paid would be debited to the same account. They would not be entered by the bank on the account of Thomas Carlton, Treasurer, and the books would not show that any interest had ever been paid. The cashier account would show that those interest checks were given and paid; but would not show what they were given for, but the exchange and interest account I think will show a debit of a corresponding amount. Mr. Stout, the President of the Bank, authorized the payment of the interest in the first instance, and it continued to be paid by me under that authority. The Shoe and Leather Bank, during the period of my connection with it, was in the habit of paying interest at the rate of 4 per cent. upon accounts where large balances were kept.

W. A. KISSAM.

Sworn to before me, this 30th day of May, 1871.

JOSEPH J. BOSWORTH, JR., Referee.

After the publication of the above affidavit, the Finance Committee of the Board of Managers of the Missionary Society, investigated it, and made a report to the Board, which took the following action:

Resolved, That this Board is gratified to find, after a full and careful examination of the case, that the allega-

tion of Mr. Kissam, former cashier of the Shoe and Leather Bank, affecting the integrity of the Treasurer of the Missionary Society is not supported in any degree by the facts developed in the investigation.

Pending the consideration of the second part of the report, it was amended so that the first paragraph should read as follows: The Committee further report, that except as hereinafter stated, no record appears upon the books of the Society of the loan by the Treasurer of the $50,000, which was returned to him and loaned again on the 3d day of November, 1863; and other temporary loans made by him are not recorded in the permanent books of the Society. The report as thus amended, including the following Resolution, was then adopted.

Resolved, That the Treasurer of this Society be and hereby is directed to keep separate books of account in permanent form for all receipts and disbursements of the same, including loans, interest and discounts, and to make the bank the only depository of such funds as may come into his hands.

I go into no criticism on the above, but the reader will please note Mr. Kissam's language, in regard to the checks: "They would not be entered by the bank on the account of Thomas Carlton, Treasurer, and the books would not show that any interest had been paid," etc., etc.

This same Committee in a report to the Board, June 16, 1871, confirm Mr. Kissam's statement, as to interest, in saying that they found in the ledger, running from June, 1863 to November 1, 1864, a check for interest, amounting to $969.86, and further report:

It appears by the credit books of the bank, that on the same day as the Cashier's check for $969.86, bearing date November 3, 1863, the Treasurer received from the bank four certificates of deposit, amounting to the sum of $50,000, for which no check was drawn, and no entry made in the check-book, or other books of the Society; nor could the

Treasurer, or his Cashier, inform the Committee where the $50,000 came from, nor had they any record of it. The Treasurer stated that the account of loans of the Society's money has been kept in small memoranda books, which have been mislaid or destroyed.

Is there a secular corporation in the whole country that would have retained the treasurer a single day after so puerile an excuse of the use he had made of the Society's money? "Small memoranda books" were convenient things to be "mislaid or destroyed" when an item of $50,000 was to be accounted for! But no change was made in the use of small memoranda books.

According to the check book and checks, the Senior Agent drew out of his personal and private account, in the Shoe and Leather Bank, from 1862 to 1867, $773,114.49. He also appears to have had deposits elsewhere. The checks show that instead of depositing the funds of the Book Concern to the credit of the Agents, Carlton and Porter, and after my election, to Carlton and Lanahan, and those of the Missionary Society, to Thos. Carlton, Treasurer, he kept large amounts of those funds in his personal account, and from time to time checked out of that account into the official accounts, and thus kept up a balance in the latter. The above facts show extraordinary financial methods. But Mr. Kilbreth, in his report to the Book Committee—which report the Committee presented to the General Conference of 1872, with much laudation—says, he does "not see how they could be improved."

SUIT FOR SLANDER.

January 11th, 1870, I received notice of a Suit for Slander and Libel, damage laid at $20,000, by S. J. Goodenough, whom I had charged with defrauding the Book Concern. Unpleasant as it was to be dragged into a civil court, knowing that the official and financial power of the Book Concern would be employed against me, I nevertheless welcomed the suit, as I had welcomed the charges, hoping for an opportunity to prove more than I had alleged. The suit and the charges were gotten up in the Book Concern. Goodenough himself had said to a friend that he "did not want to bring the suit," but that he had been "pushed to do it by a person high in the Book Concern." He might well have not wanted to do it, as he knew what his conduct had been, better even than I knew it.

At the outset of the Book Room troubles, the venerable Dr. D. D. Whedon, Editor of the Methodist Quarterly Review, said to me: "The bottom of the troubles will never be reached, except through a civil court—they will spend $100,000 to prevent investigation." That venerable and distinguished man had been in the Concern long before I went there, and although his hearing was not distinct, he had eyes to see and a most acute intuition.

Immediately upon notice of the suit, I employed one of the most vigorous legal firms in New York, Messrs. Brown, Hall and Vanderpool, and handed them a retainer of $500, telling them I had no fear of the result. Of course, I had no control of the case after putting it in their hands, but I frequently requested them to bring it to trial as soon as possible. Believing that to persevere in duty and be silent is the best answer to calumny, I said nothing about the suit, except to my attorneys, and went on about my duties as though nothing had happened, accumulating new facts of frauds, and additional evidence to meet the suit. The Christian Advocate, however, true to its purpose, found in the suit fresh material for renewed attacks upon me. My attorneys did not file my answer soon enough to satisfy the Advocate, and it sought to make the impression upon the public that I was evading the issue. The following is one of its bulletins:

The Suit against Dr. Lanahan.—In response to the numerous inquiries concerning the suit instituted by Mr. S. J. Goodenough against Dr. Lanahan, it may be proper for us to state that, according to legal usage, the defendant was allowed twenty days in which to file his answer to the complaint. At the expiration of that time the defendant's counsel (Messrs. Brown, Hall and Vanderpool, our present city Mayor, Hon. A. Oakey Hall, being a member of the firm) applied for a further extension of twenty days. This was granted. When this time expired, the same counsel urged a still further extension of time in which to file their answer, and an additional period of thirty days was allowed. The last extension bears date from the 20th of July. Of the reasons for the delay we are not advised.

Chief among the "numerous" inquirers was the writer of the above, the Rev. W. H. DePuy, assistant editor, who during all those troubles was the convenient go-between for the defrauders and their allies. He was always on hand when any peculiar work was to be done. His manner was soft as the black velvet which Hoffman used to purchase at $20 per yard, and his movements as noiseless as if his feet were shod with wool. His name as a witness was in the plaintiff's complaint. Several times well-meaning, but misled friends, came direct from him to tell me what dreadful things he would swear to, and, as friends, advised me to resign. I made but one reply, "Perjury in a civil court is more dangerous than falsehoods before a Book Committee."

At last my busy counsel found time to file my answer. After denying the trashy fictions to which W. H. DePuy professed a willingness to swear, I directly charged S. J. Goodenough with dishonesty, in the payment of wages and the purchase of paper, and that in the latter, J. F. Porter was used as a go-between.

FIFTH MEETING.

Goodenough's suit was being pressed, in appearance at least, and having in my possession what I believed to be evidence that the money of the Church had been fraudulently used in the immense Oil Companies that had been organized and carried on in the Book Concern by Dr. Carlton, Goodenough and other employees, and that an examination of the bank books and vouchers would furnish facts, additional to what I already possessed, of Goodenough's frauds, I applied to Dr. Carlton for said books and vouchers. He refused access to them, and quoted a resolution adopted by the Book Committee, "that no further examination should be made," and said: "The Committee is the General Conference in its absence." I replied, that the General Conference had authorized the Committee to do certain specified things, as it had the Agents, and for the Committee to deny me access to books and papers for the correctness of which I, in part, was responsible, was not only an assumption of authority which did not belong to them, but something worse—a desire to conceal the wrongs that had been committed on the honor and property of the Church. This was called, in one of the charges preferred against me, "Insubordination to the Committee."

He then brought Mr. E. L. Fancher, his very convenient helper, who insisted that the Committee had the right to deny me access to the books. Subsequently, I renewed my application through Judge Reynolds and Dr. J. M. Buckley, now editor of the Christian Advocate, with the same result. I then requested my attorneys to apply to the court for a mandamus. Dr. Carlton, who engineered the former charges against me, was now forced to show his hand, and he preferred charges in his own name. Learning that he was taking measures to have the Book Committee called together, I told him that there was no necessity for the meeting; that if he would give me access to the books my application to the court should be immediately withdrawn. He nevertheless called the Committee. They met June 15th. I stated to them that if they would give me access to the books, I would withdraw my application, to which they made no reply. On the first day of the meeting I was asked to present any new evidence of mismanagement and fraud, to which I replied:

To the Book Committee:

Brethren.—I am informed that resolutions are now before you looking to the extreme exercise of your power. I have heretofore presented to you evidence of fraud and mismanagement in the administration of the Book Concern which has never been fairly and fully investigated. I have also in my possession additional evidence of the same character, which I claim the right, if extreme action is taken, of bringing, through you, before the Church. The issue is a broad one, and, if tried, must be tried as such.

The questions pending are more than questions of property; they are moral, and concern the integrity of the Book

Concern, its claim to the confidence of men, and its power to do good to the world.

Neither the Church nor the Christian world will ever be satisfied with any less than a just determination of the charges against the management of the Concern, and that can only be had by an impartial and thorough investigation of all the matters I shall bring before you.

Yours very truly, J. LANAHAN.

Immediately upon the presentation of the above, Rev. B. F. Rawlings presented the following, which was adopted:

Resolved, That it was no part of the purpose of this Committee in asking Dr. Lanahan to lay before them whatever new evidence he had of fraud in the Book Concern, that such evidence should be a part of this investigation.

Was there ever a more flagrant wrong upon every principle of common justice? They called for new evidence, and when I declared my readiness to present it, they answered, that it was "no part of their purpose that such evidence should be a part of this investigation." Perhaps in calling for new evidence they supposed that I had none to present, and that in calling for it they would make some show of seeking evidence. Such contradictions frequently marked their proceedings.

Among the items in his complaint was the statement that if he had to attend court he could not attend to the Book Concern. Referring to that, in his speech before the Committee, Dr. Buckley said:

Dr. Carlton, Alderman of Elizabeth, New Jersey, Director of the Shoe and Leather Bank, Director of the Home Life Insurance Company, Director of oil companies, the "Cres-

cent," "Mineral Spring," "Drop," and I don't know how many more companies, Treasurer of the Missionary Society, and Trustee of divers literary institutions, makes a hue and cry that attending to legal proceedings takes his time from the Concern; but as he brought these troubles on himself, and resisted every effort to obviate them, and as Dr. Lanahan has no private ends to gain and attends strictly to his business, there is no reason to suppose that he ought to be removed.

Counsel for Dr. Carlton were Mr. E. L. Fancher and General Runyon. My counsel were Judge Geo. G. Reynolds, Dr. James M. Buckley and Thomas W. Price. Dr. Carlton's complaint was that I had applied to the court for a mandamus to compel him to afford me access to the books of account, especially the bank books.

I admitted that I had done so, and justified it, first, on the ground of my right as a Corporator. The following are the words of the old Charter of 1837:

It shall be lawful for Thomas Mason and George Lane, Agents for the Methodist Book Concern, appointed by the General Conference of the Methodist Episcopal Church, and their successors as such Agents, to take and hold real estate in trust, for the purposes of such agency, and to demise and convey the same; but the value of such real estate so taken and held by them shall not exceed two hundred thousand dollars.

The real estate heretofore conveyed to Thomas Mason and George Lane, as Agents aforesaid, shall be considered as part of the real estate to be held by them and their successors, as such Agents, in trust as aforesaid.

George Lane was Assistant Agent, yet an Agent.

I also quoted the following from the new Charter which Dr. Carlton and Mr. E. L. Fancher,

without a word of consultation with me, had gotten from the Legislature of New York, 1869:

Section 2d. Thomas Carlton and John Lanahan, Agents of the Methodist Book Concern, and their successor or successors in office, are hereby created a body corporate by the name of the Methodist Book Concern, in the City of New York, and by that name and style they and their successor or successors in office shall have perpetual succession, and shall be capable in law of holding property, real, personal and mixed, either by purchase, gift, grant, devise or legacy, subject, however, to all existing provisions of law relative to devises and bequests by last will and testament, and to sell and convey the same; but the value of the real estate so held in the State of New York shall not exceed fifteen hundred thousand dollars, provided that all such property shall be held in trust, and used only for the purpose or purposes hereinafter designated.

Section 3d. The persons named in the first section of this act shall hold their offices until the quadrennial session of the General Conference of the Methodist Episcopal Church, in May, 1872, or until a successor or successors shall be elected in their places, and they shall have the management and disposition of the affairs and property of the said corporation during their term of service.

The binding force of the Charter is too plain to admit of being questioned, and the responsibilities which it created rested as much upon me as upon my associate. In further justification I quoted the following from the Discipline as the plain law of the Church:

The Agents shall have authority to regulate the publications and all other parts of the business of the Concern, except what belongs to the Editorial Departments, as the state of the finances will admit and the demands may require. It shall be their duty to send an exhibit of the state of the Book Concern at New York to each session of the Annual Conferences, and report quadrennially to the General Conference.

I contended that I could not unite with my associate in making such "exhibit" and "report" with the books of account, especially the bank books and vouchers closed against me, and more especially, when in possession of what I believed to be positive evidence that portions of the property had been prostituted to personal ends; that if the General Conference had intended that there should be but one Agent, it would have required his signature alone to the exhibits and reports; that I was not expected to sign such documents upon the representation of others; that though an Assistant, I was nevertheless an Agent; that as a holder of the trust I was equally responsible with my associate.

The above is only the text of my reply.

A majority of the Committee voted for my expulsion from office. The consummation of it required the concurrence of both of the Bishops. The following is from Bishop Janes' decision, which he states will be upon the "one act" of my suing out a mandamus. Bishop Janes says:

> If these books were necessary to the defendant for the purposes stated, he ought undoubtedly to have them. The interests of truth, of righteousness, and the golden rule of the Saviour, required it. As Assistant Agent he had a right, observing strictly the rules of the house in doing it—the same order as is observed by the senior Agent—to go and examine them. This right inheres in his office. It is just as necessary to him in the performance of several of the specified functions of his office as to the senior Agent, and therefore just as much his right. The law requires no officer to do what it does not empower him to do. If prevented by the senior Agent, he ought to take proper means to secure this right. In doing this there might come an

exigency when it would be right for him to appeal to the civil authorities; but this should be a last resort, after all ecclesiastical means failed. The Book Committee are his disciplinary advisers. His first appeal should be to them. If they refuse to come together at his call, or, coming together, fail to give him his rights, or the senior Agent refusing to carry out their instructions to that effect, and no other recourse being left him, after due counsel, he would undoubtedly be at liberty to seek the intervention of the civil courts. All this would take but a few days, as the history of the case shows—less time than the obtaining of the mandamus of the Court. I think the Assistant Agent erred in not seeking redress from the alleged action of the senior Agent in this way before he went to the Court, and the more so as Dr. Carlton professed to be governed by the instructions of the Book Committee.

The manner of making the application to the Court in my judgment was erroneous. True, his counsel testify that they advised the course pursued, and drew up the affidavit, and gave it as their opinion that it was right. Still it seems to me Dr. Lanahan did wrong in allowing his counsel to use only the Charter in determining his official status. While in that he and Dr. Carlton are corporators or trustees jointly of the property of the Concern, yet in the Discipline and in the election of the General Conference he is styled Assistant Agent; and the Discipline and the usage of the Church in important respects made Dr. Carlton his superior. His counsel should have been required to correctly state his office in all proceedings where his official station was referred to. To do otherwise could not fail to produce a "conflict of authority" and to mislead.

Dr. Lanahan must also be responsible for the reasons assigned for asking the mandamus. One reason given is in these words: "For the purpose of ascertaining whether all the property held by or standing in the name of the Agents or former Agents of said Book Concern has been turned over to the said corporation, this deponent desires to examine the books of said Concern, and particularly the check-books, bank-books, and vouchers from 1856 till the present time." It was certainly right for the Assistant Agent to seek and possess this information. For the purpose of obtaining this information I hold he had a perfect right to personally examine any and all of the books of

the Concern under the rules of the house. If prevented by the senior Agent, it would be a proper subject to bring to the attention of the Book Committee. As Dr. Lanahan does not claim in his affidavit to know there was any such property not so turned over and in jeopardy, the case does not seem to be so urgent that if the Book Committee and senior Agent failed to give him the information, the matter could not lie over until the meeting of the General Conference. I cannot, therefore, see the necessity for this legal procedure.

In reference to the items of official misconduct alleged in the third general statement in the bill of complaints, I deem it proper to say that, after considering the circumstances under which they occurred, so far as they did occur, and the explanations given by the defendant, I cannot agree with the Committee in their judgment upon the three first that they were official misconduct. The last paragraph in the communication of the complainant is in the words, "In view of the foregoing facts, and a great number of others which have been brought to your notice during the past two years, it remains for you, in your wisdom as the supervisors of the Methodist Book Concern, to take such action as under the circumstances you may judge will best promote the interests of the Church and the Book Concern." When I read this I supposed all the issues of the past two years were to be examined; but none of the "great number of other facts" were traversed at all except in the speeches of counsel, neither did the Committee vote upon them. As the complainant and the Committee seemed to regard them only as rhetoric, I shall so treat them. The Committee will, therefore, perceive that my opinion, whatever it may be, will be based wholly upon the first and principal complaint, namely, the suing out a writ of mandamus.

The management of the Book Room having become a subject of inquiry and criticism, the question of its integrity can be settled only by a most thorough, competent, and impartial examination. This examination must be made in part at least, by laymen; not wholly by accountants, but men whose general business reputation and character are known throughout the Church. They must be so selected and appointed that there can be no apprehension, no sem-

blance even, of their being partisan; their roots, even, must not be found in partisan grounds. Nothing short of this will satisfy the Church; nothing short of this ought to satisfy the Church; nothing short of this need satisfy the Church, for it will certainly be had. No human power can prevent it. It may be embarrassed and delayed, but cannot be stopped. The longer it is delayed the more thorough it will be. An examination that would have been satisfactory six months ago would not be satisfactory to-day. Books and book-keeping, buying, selling, printing, binding, all the modes and methods of business must be inquired into and reported upon. It is because the Church sees this examination to be inevitable that she is calmly waiting for its results, and because she sees it to be inevitable she will continue calmly to wait until it comes. She will not be agitated, but wait in quietude and confidence, and in my judgment all parties can well afford to wait until, in an orderly way, and through appropriate agencies, this result may be obtained. Whether it can be had before the General Conference or not I cannot say. If it can I shall be glad; if not, I am sure it will come then or afterward.

With Dr. Lanahan I have been acquainted for more than a quarter of a century. I have assigned him to some of the most responsible and difficult appointments in his Conference. He has always met his obligations with fidelity and ability. I have honored him in my heart as well as in my administration. My confidence in him as a Christian brother and minister of the Lord Jesus Christ is unshaken, and my affection for him undisturbed. My decision refers only to his official act as Assistant Agent of the Book Concern. His act of suing out a writ of mandamus at the time and in the manner he did I cannot approve; but the question whether the error is sufficient to remove him from office I have found a very difficult one to decide. With hesitancy (for on this one point my mind has wavered up to this moment) the preponderance of my convictions of official duty in the case requires me, though it is the most painful official duty of my life, to concur with the Committee in their action of the 24th instant, in removing Rev. John Lanahan from his office as Assistant Book Agent at New York, and I hereby concur. E. S. JANES.

As Bishop Ames' opinion is brief, I give the whole of it:

OPINION OF BISHOP AMES.

New York, June 26, 1871.

To the Book Committee:

Dear Brethren.—Bishop Janes and myself agree in our judgment touching the law which governs the Book Agents in the discharge of their official duties.

First. That the Agent has sole control in conducting the business of the Concern and that he is to be assisted by the Junior Agent, who should receive the wishes of his official superior with deference, and should execute them with cheerfulness. I do not understand that there has been any conflict of authority between the Agents under this provision of the law.

Second. That in deciding what books shall be published, the Agents have equal authority. They must mutually agree before a volume can issue from the press. This is the law, and the practice under it has been uniform. The names of both Agents are on the title page of every book.

Third. The Agents are required to make exhibits annually and quadrennially

This official duty required of the Agents by the General Conference is equally binding on each, and the document always has the signatures of both Agents.

It appears to me absolutely necessary, in order to the right performance of this important duty, that each of the Agents should be permitted to enjoy, without any restriction, the right to examine all the books and papers of the Concern.

On the question of the unrestricted official right of the Assistant Agent to examine all the books and accounts of the Concern there has arisen a conflict of authority. It seems to me from an examination of this case that the Assistant Agent has not been permitted to exercise this right. He applied to the courts for aid that he might secure it. Such an act must be judged of in the light of its own surroundings.

I so judge of this, and so judging, I do not feel justified in visiting upon it so severe a penalty as that inflicted by the Committee.

Bishop Janes and myself differ only in the conclusion which we draw from the facts on this single point, and in our long and intimate official relations with each other we have always drawn together so harmoniously and pleasantly that it pains me to differ from my colleague in the slight matter of drawing a conclusion; but, as I do differ, honesty compels me to say so. But with this single exception, I agree most cordially in all that Bishop Janes has said in his written opinion in the case.

In conclusion, brethren of the Committee, I must say that the penalty inflicted by your verdict appears to me to be more severe than the gravity and importance of the complaints justify; and, as I find myself at variance with your judgment, duty compels me to say that I cannot and do not concur in your verdict removing Rev. John Lanahan from his office of Assistant Book Agent of the Book Concern at New York.

(Signed) E. R. AMES.

Neither Bishop Janes nor Bishop Ames could have said less of me than they did. As to the searching investigation which Bishop Janes predicted, it never came.

My application to the court for mandamus was denied by Judge Barnard. The result did not disappoint me. While the case was pending, E. Grant, who was in the confidence of the parties, said to a person, who reported it to me, "Do you know how the mandamus case was managed? It was first brought before Judge Cordoza, and from him passed to Judge Ingram, and from him to Judge Barnard, who is intimate with Mr. Fancher and at the Shoe and Leather Bank." That remark foreshadowed what the decision would be. In his decision Judge Barnard went out of his way to abuse my witnesses and lecture me, stating that if I wanted infor-

mation I should have gone to Grant, the book-keeper, or to Denham, the cashier, and at the same time glorified the great prosperity of the Book Concern. He also quoted from the resolution of the Book Committee, making me Dr. Carlton's subordinate, and said:

> The relator is inferior to and subordinate in position to the respondent (Dr. Carlton), and wholly subject in his official action to the control and direction of Dr. Carlton, and the relator has no right to any books or papers which the respondent or the Book Committee does not voluntarily furnish him. Where the relator's right is denied, of course the writ will not be issued.

Soon after the above decision was rendered, Judge Barnard was impeached before the Legislature of New York, on charges, thirty-nine in number, prepared by the Bar Association. The Legislature assembled July 17, 1872, at Saratoga. He was found guilty and dismissed from the Bench. He was charged with corrupt conduct in granting injunctions, and appointing receivers in various suits, with receiving presents and other personal favors, and with unseemly conduct in open court. The last charge was drunkenness. The right kind of Judge for such a case! It was spoken of as an open secret, that Mr. Fancher, who was "intimate" with the Judge, wrote his decision. There is certainly marked similarity between some of the Judge's language and the speech of Mr. Fancher before the Book Committee, as reported in the papers. The decision and the speech are now lying before me.

THE GENERAL CONFERENCE OF 1872.

There is another matter that calls for reference in order to a full understanding of this case. At the General Conference of 1872 I presented a report of my investigation of mismanagement and frauds, and asked its reference to a Committee to be selected by the Bishops from men of proved business capacity and experience. The subject, having to do alone with methods of business and alleged facts in its conduct, was one for whose consideration trained business men possessed all the requisite qualifications, and of the kind and scope seldom found in others. The Bishops as a body could be depended upon to exercise the greatest care in their selection, and their wide acquaintance gave them opportunity, out of many who would be suitable for this work, to choose the best. The appointees themselves would have every inducement to be painstaking, thorough and impartial in their examination, and just in their final conclusion. Why, then, my proposal should have been objected to by any who were not swayed by prejudice or self-interest, it is difficult to conceive. And yet the special friends of Dr. Carlton and the Book Committee arrayed themselves against it with unyielding opposition, contending for a committee of one from each of the seventy-two delegations that composed the General Conference. Their views prevailed, and to this Committee my report, with the majority and minority reports of

the Book Committee and those of Dr. Carlton, Mr. Kilbreth and Mr. Gunn were referred.

These several reports as subsequently published in the General Conference Journal make one hundred and forty octavo pages of closely printed matter. Mr. Gunn's alone was the result of fifteen months' thorough examination of the accounts. An examination of all these reports would have occupied the time of an accountant at least three months. Yet they were to be examined by this committee in less than parts of twelve days. Thus was realized what I, in my report, anticipated in these words:

> Efforts will be made to bring side issues before you, with the view of preventing a direct and speedy examination of the main questions, mismanagement and fraud. You may be overwhelmed with documents, and then assured that it will be impossible for you in the time of your session to examine them.

But this is not all. A paper called a "memorial," was presented to the General Conference by Dr. D. Curry, from S. J. Goodenough, denying his frauds, which was also referred to the Committee. In it is the following:

> As showing the inspiring cause of the course pursued by Dr. Lanahan to break up the monopoly of Mr. Porter, as he terms it, I can put the Committee of the General Conference on the track of investigating a matter which might throw some light on his motives—whether while he was moving to get rid of Mr. Porter and myself, he was not trying to procure a position for his own son as a partner in the paper business. You may draw your own inference. If desired, the names of the parties who can furnish information will be forthcoming.

I called for an examination of the scandalous statement, but no attention was given to my call. An unheard-of thing too in the history of General Conferences is that that so-called "memorial," which was never heard of after it was read, should find a place in the Journal, with the official documents (see Journal, p. 681.) Thus matters were managed to create complications and divert attention from the main question.

But this is not all; whilst the so-called "memorial" was thus honored, all the evidence of the long continued frauds embodied in the report of Mr. Gunn was purposely excluded from the Journal. That report with its accompanying evidence cost the Book Concern nearly $6,000. There were many busy hands at work in those days.

The charges in my report were made as definite and positive as possible, giving names, and dates, and details, with studied brevity and sufficiently careful exactness to prepare the way for an intelligent, easy and thorough investigation, and I was ready with all needed evidence to substantiate them. It might, therefore, be reasonably supposed that I would have been summoned before the Committee, or at least one of the Sub-committees. But my presence was neither sought nor allowed at any of their meetings. I was treated as if I was absolutely and entirely outside the case. At the same time members of the Committee were in constant communication with Dr. Carlton, S. J. Goodenough, E. Grant, J. P. Kilbreth and like-minded

persons, who were their chief sources of information, and their statements ruled out whatever conflicted, as untrustworthy, no matter whence it came or however it was confirmed.

In their report to the General Conference, they quote from the report of Mr. Kilbreth, but make no allusion to Mr. Gunn's report, nor do they so much as mention his name. They admit "repeated frauds" in the Book Concern, locating them in "the manufacturing department," and "chiefly, if not wholly in the Bindery," whose Superintendent, Mr. Hoffman, is accused of carrying on a system of frauds for years, "by which the Concern sustained very considerable losses." Notwithstanding all this, they exculpate the "Agent and Assistant" from blame. Perhaps the Assistant Agent ought to feel relieved that for once he escaped! Hoffman was made the scapegoat.

The Committee closed their report with the following remarkable statement: "It is, perhaps, sufficient to say that your Committee have no evidence before them tending to show that the exhibits should be different from what they are." Such evidence was amply supplied in my report, and especially in that of Mr. Gunn. Will my reader please turn to pages 201, 207, 208-209 of this narrative for an answer to the above statement?

OUTCOME OF THE SUIT OF GOODENOUGH.

The case was called in court in the month of May, 1871. Counsel on both sides were present. The Judge asked if they would be ready on a day specified by him in the next week? They answered affirmatively. On the designated day, Dr. Carlton, Dr. Daniel Wise, and one or two others from the Book Concern were there with S. J. Goodenough and his attorneys. My counsel, accompanied by ex-Judge Porter, and myself, were there. I had no supporters or sympathizers from the Book Concern, but I was armed with facts sufficient to scatter like chaff a thousand such suits for "slander and libel." The case was called and the plaintiff's counsel, instead of being ready, called for the reading of my answer. The presiding Judge remarked, "You said you would be ready to-day." Counsel moved to have the answer amended. Instead of giving the proper names, the answer specified "certain New York houses," who were well known and would have appeared as witnesses. I requested my counsel to amend the answer on the spot, and have the trial go on. He replied, "No, they are dodging; let them dodge." And dodge they did, against my wishes. If it had been put off by my counsel, another bulletin would no doubt have appeared in the Christian

Advocate, but, of course, in "response to numerous inquiries." They never appeared in court again. Their narrow escape—manifestly prearranged—taught them a lesson which they did not disregard.

The General Conference held in Brooklyn, May, 1872, adjourned June 4th. Three days after I had occasion to visit the Book Concern, where I remained a short time. From there, I took a street car to visit a friend in his office, more than a mile distant, in another part of the city. Soon after I had gotten there, two men appeared at the office door, and one called my name. I responded. He laid his hand upon me and said, "You are under arrest," and handed me the following:

Samuel J. Goodenough, Plaintiff,
against
John Lanahan, Defendant.

To the Sheriff of the City and County of New York:

It having been made apparent to me by affidavit, and to the plaintiff in this action that Samuel J. Goodenough has a sufficient cause of action against John Lanahan for slander and libel, and has commenced action therefor, you are required forthwith to arrest the defendant in this action for the cause aforesaid, and hold him in the sum of $5,000, and to return this order to Brown and Estis, plaintiff's attorneys, at 229 Broadway, New York, on the 15th day of June, one thousand eight hundred and seventy-two.

JOHN J. FREEDMAN,
Judge Supreme Court.

I merely glanced at it, and putting it in my pocket, said: "Gentlemen, please take seats until I write a note to my family." The head

man gruffly replied, "We have no time for that." "What," I said, "no time to allow me to write a note to my family?" "No time," he replied. "Please give me your name, Sir?" "That has nothing to do with the matter," he quickly responded. "What! you an officer, and ashamed to give your name? I am at your disposal." They marched me off to the Sheriff's office, in the City Hall. There the assistant officer left the head man and myself. I suppose he thought one was enough to manage me. In the same gruff style, as if he really felt that he was more than a man in authority over me, he said, "Are you prepared to give security?" I replied, "You have treated me with all possible rudeness, as if I were a common thief; refused me a brief moment to write a note to my family; please exhaust whatever authority you may have as an officer, and then relieve me of your presence." He quickly disappeared, as I supposed, to report to the plaintiff's attorneys, whose office happened to be in the same building with that of Mr. E. L. Fancher. When he returned, he asked in his mandatory style, "Are you prepared to give security?" "I have given you my answer," I replied, "Please do the work given you, and I shall feel relieved when you are out of my sight." "Then you must go to jail. Come along." I went "along," of course, to Ludlow St. Jail. In the walk to the Jail he seemed to have softened in his manner, for he said to the Jailer, "Treat this gentleman cleverly." I slept none that

night, not, however, on account of what had occurred, but it was a new thing for me to see bugs creeping on the wall of my bed-room. The first information my family received of my imprisonment was through the afternoon papers. But they were not in the least disturbed. They knew me better than the famous Book Committee, better than the official Editors, better than Thomas Carlton and Mr. E. L. Fancher.

My brother arrived at New York the next morning. Mr. Augustine Smith and Mr. Daniel Appleton of the Publishing House of Appleton & Company, gave bond of $5,000 for my appearance in court to meet the suit. Prominent citizens of New York, in and out of the Methodist Episcopal Church, requested me to accept of a public reception, and I was informed that clergymen of other than my own Church, expressed a desire to participate. Some gentlemen of wealth asked me to accept of a substantial recognition, all of which I declined, of course. I narrate these facts, not only because they are a part of this narrative, but to show that the condition of things in the Book Concern was known and talked of outside of the Methodist Episcopal Church better than they seemed to have been known in it. I was really amazed to learn that in a large class of business houses, the management of the Concern had been a by-word. In other publishing houses, the workmen were in the habit of speaking of it in their slang way. A few in the Church had previously said to me

that "they had long believed that all was not right in the Book Room; that there was no power to go behind the Agents; but now, as I was one, I could act." Well, I did act, and it came near costing me what is dearer to every honest man than life itself—my character, which had been built up through more than thirty years of as true and faithful service in the Church as one of my physical and mental ability could render; a man of one work—the work assigned me by my Church.

These words will be read by some who have known me and my work as a teacher of men in the things of God during my entire life.

I never had a doubt that when I left the Book Concern that morning, I was followed, and that information was promptly conveyed to the Sheriff's office as to where I could be found. I had not been hiding. Sheriff Brennan's men could have found me at my residence. And why were two men sent? Did they suppose force would be required? The manner in which the head man spoke and acted impressed me that he rather desired to have occasion to handle me. He was evidently acting under instructions.

The New York papers drew striking contrasts between the treatment I received, and that accorded to William M. Tweed, who was charged with plundering the City Government. The following is from the *Times*:

When Bill Tweed, the biggest rogue of the age, was to be arrested, what did this same Brennan do? Sent him a

private note, politely informing him that at a certain hour on a certain day the Sheriff would humbly wait upon His Highness, hoping that it would not cause him any inconvenience, &c., &c. At the appointed time, Brennan obsequiously made his bow to the "Boss" and—took him to jail? Not a bit of it.

Then and there he made all the arrangements which Tweed was pleased to dictate, waited day after day for his convenience, and apologized for his intrusion. In the same way he treated the other Ring thieves. And yet, when a well-known clergyman is to be arrested in a malicious suit, supported only by *ex parte* affidavits, he sends two ruffians to insult and degrade him, and thus renders himself responsible for an outrage which will excite indignation far beyond the limits of the Methodist Church.

The proceeding recalls that of the late Fisk against Samuel Bowles, of the Springfield *Republican*, and suggests the inquiry whether the broken Book Concern Ring has as complete control of the New York ministers of the law as the broken Erie Tammany Ring had. The suit is regarded as vindictive, and it will be generally believed that his unnecessary arrest and the treatment incident to it are designed as a punishment for having brought charges against the old managers of the Book Concern, and—which is more exasperating—for having proved them.

But the treatment I received from Sheriff Brennan's men was insignificant—as nothing—compared with that which I had received from a majority of the Book Committee in their Star Chamber meetings, where my written official statements, as one of the Agents, corroborated by employees of the House and merchants of the highest respectability, were disallowed, because they were denied by the defrauders.

Epithets and abusive language were attributed to me, as false as falsehood could make them; but I said not a word. Even my Church attorney

was assailed—Judge Reynolds—whose splendid character, intellectually and morally, made his very shadow as sunshine; and even he was denied access to the columns of the Christian Advocate when misrepresented by it, and for defense, had to resort to the hospitality of *The Methodist*, of New York, an unofficial paper. The combination against the truth was as compact as the fingers of a shut hand when the hand is turned into a fist, and that fist, as if iron-clad, was always ready to strike whatever approached to an exposure of the frauds! But of all the painful things I had to endure, the most painful was the apparent inability—or something else—of the Church to burst through the combination, and bring to the light by a commission of independent and honest examiners the real facts. That burnt me like molten lead. When my own Conference proposed it, the Christian Advocate exclaimed, "By what commission! Who shall appoint such a commission and prescribe its province and duties? To do this is revolutionary. It is rebellion."

The Committee had spoken "officially," and although they had unanimously declared in their first report that there had been "no serious loss" in one department, and "great mismanagement" and "serious loss" in another; and in their second report "no loss or mismanagement at all," with a minority reaffirming the truth of the first report, and declaring it "a meagre statement" of the real facts, that with the Advocate,

ended all controversy, and dissent from it was called a "slander on the Church," and "rebellion against official authority!" Who but the guilty need have feared an examination by a commission of honest men? I literally entreated for the appointment of a commission by the Bishops of the Church. But the coverers of the frauds were afraid to trust any Committee, and by their contradictory reports, had put themselves on trial before the world. That explained the Advocate's cry of "revolution" and "rebellion," for its Editor and his Assistant had been among the chief advisers of the Committee.

But what became of the suit, founded upon the sworn-to complaint of S. J. Goodenough, that I had damaged his spotless character, and injured him in his business relations with the public to the extent of $20,000, with the name of W. H. DePuy, in the complaint, as an important, if not chief, witness? The following facts answer that question, and furnish additional proof that Goodenough and his supporters knew that they could not stand before any honest tribunal, civil or ecclesiastical.

A short time after I had returned to my home in Baltimore, I received a note from my attorneys, stating that they were notified that the suit would soon be called in the court, and asking if I could be there? I answered that upon notice I would be there promptly. At a later period, my counsel wrote me that the plaintiff's counsel were authorized to withdraw the suit if I would

pay half the costs. I replied, that I would agree to nothing of the kind, but would rather pay all the costs and have it tried.

Next I received a letter from my counsel enclosing the following from the plaintiff's counsel:

Brown and Estis, 229 Broadway, New York.
January 7th, 1873.

Messrs. Brown, Hall and Vanderpool:

Gentlemen:—Our proposition in the Goodenough case was to discontinue it without the costs to either party as against the other. No concessions were required of either party. We were induced to advise our client to take this step by gentlemen in the Methodist Church who were mutual friends to both parties, and who claimed that the Church would suffer by the trial of the case, no matter how it might result.

We renew our proposition that it may be perfectly understood. Please advise us whether the offer is satisfactory, and

Oblige yours truly,
BROWN AND ESTIS.

The above I promptly rejected.

My next information was that the suit had "gone by default." Of course it cost Goodenough nothing. It was not his suit. He had been "pushed to it by a person high in the Book Concern." The suit was gotten up for a twofold purpose, to make a show of injured innocence, and frighten me into a resignation, or a withdrawal of my charges. To have done either would have disgraced me in my own eyes, and have been a betrayal of the trust that had been committed to me by my Church. I never doubted that the plaintiff's attorneys had been made to believe that "mutual friends of both parties"

gave the above advice. But I never believed that any of my friends were among the number. "Injure the Church!" Injure sunshine! Ah! that was the constant and convenient cry used to divert attention and cover up what had been, through long years, eating out the very vitals of the Book Concern in which the Church took great pride, and whose management she had so often lauded to the very skies, never dreaming of the wrongs that were being done under its roof.

CONCLUSION.

In reviewing this long history the reader cannot but be struck with the varied changes of my position. Beginning as a prosecutor of mismanagement and fraud, I soon found myself treated as a presumptive criminal. I was not even credited with an honest, if mistaken purpose to discover the truth, but was arraigned as an enemy to the Book Concern, and a slanderer of its reputation. For five months I was held up before the public as guilty of "official misconduct," "malfeasance," "neglect of official duty," "untruthfulness," "irascibility," "slanderous disposition," "violation of pledges," "insubordination," "want of business qualification," and "other objectionable personal characteristics" which disqualified me for the position of Assistant Book Agent. The public was left to guess what the "other objectionable characteristics" were, as if their moral turpitude made them too offensive to be described.

Instead of trying the guilty parties, the Book Committee made haste to try me. I may say with truth, that the majority, so far from dealing with me as impartial judges, planned and labored to convict me. The one thing uppermost in their proceedings was to discredit me before the world and get me out of the way. The fact

that a respectable minority of their own number adhered to the conviction that my charges were founded in truth, instead of making them pause in their pitiless persecution, only intensified their bitterness and impelled them to renewed efforts to compass my destruction, shield the defrauders, and thus mislead the Methodist Episcopal Church. The whole country was scandalized by the efforts made to drag me down and ruin me. Those efforts would not have been ventured but for the confidence felt that a majority of the Committee were in full sympathy with them, and would lend a willing ear to every charge preferred against me.

That I passed through those trials as I did, standing almost alone with infinite odds against me, as I now look back, seems almost a miracle to myself. Hired spies followed me when I left my office, and stood in front of my door at night to ascertain with whom I was in communication. Twice I was suspended, and once removed from my office. I was sued for slander and cast into prison; week after week, for two years, I was compelled to read violent attacks upon my conduct and motives in the very paper which bore my name as one of its publishers, and I not permitted to utter a word of explanation or defense, though its columns were open to eulogiums upon the defrauders. Even my Conference was maligned and denounced through the secular press as "infamous," by the Chairman of the Book Committee, Rev. B. F. Rawlings, in the

card already quoted from the Indianapolis Daily Journal, because it did no more than declare its confidence in my integrity, and call for an examination of the affairs of the Church's Publishing House by a commission of laymen skilled in business matters.

God's ways are dark, but soon or late
They touch the shining hills of day;
The false can poorly brook delay,
The true can well afford to wait.

APPENDIX I.

A SPECIMEN OF FRAUDULENT TRANSACTIONS.

(Referred to on page 109.)

In the second year of the Book Room troubles, 1871, Rev. Dr. Munsey, Secretary of the Board of Foreign Missions of the Methodist Episcopal Church, South, called at the Book Concern to see Dr. Carlton, who was absent. Dr. Munsey informed me that the object of his visit was to see Dr. Carlton about a large debt due from the Society which he represented. For reasons, I asked no questions. He called again the next day, and he and Dr. Carlton retired to a private room. Dr. Carlton said nothing to me about the debt, or the object of Dr. Munsey's visit. I knew all the officials of the Southern Church by name, and examined the account books to ascertain whether the debt was to the Book Concern, but found no entry to any of them. After waiting several days to see if Dr. Carlton would say anything to me, I asked him if the Church South was debtor to us? He replied that it was. I asked him if it was entered on our books? He answered me, that it was. I requested him to show me the entry. He proposed to do so the next day. My experience with him and our bookkeeper had been such, that I deemed it best not

to let the matter be delayed for a day. He finally requested the book-keeper to "turn to those Southern accounts." The book-keeper opened the ledger to some small accounts of long standing, and then addressing me, said, if I would name the persons he could easily find the account. I replied that Dr. Carlton could give him the name. Just then a gentleman came into the office of the Agents and Dr. Carlton quickly left me and the book-keeper, and went to meet the visitor, and I returned to my desk no little surprised. In a few minutes, Dr. Carlton again went to the book-keeper, and after a brief conversation with him, the latter informed me that he had found the account I desired to see, and pointed to the following, which is a copy as it appeared on the ledger:

BROWN BROTHERS & Co.

						1862.					
Dec.	9	To Cash,		$15,400		Dec.	31	By Cash,		$292	14
1862.											
July	31	" "		3,000		1863.					
Oct.	21	" "		2,500		Jany.	1	"P. & L.		20,607	86
				20,900						20,900	00

The above was the only entry in the books until I exposed it.

Thus the ledger had been made the book of original and exclusive entry, something unheard of in honest book-keeping. I expressed surprise that there should be charged to one of the wealthiest banking firms in New York a loss, and asked if we had anything to show that the

Church South was our debtor. Dr. Carlton then produced several notes, drawn by William T. Smithson, Treasurer of the Missionary Society of the Methodist Episcopal Church South, dated "March 16, 1868," payable in 1871 and 1872, respectively. On one of the notes there was a credit of $1,300.00. I asked him if that payment had been entered in our books? He replied that it had not, and that he was "waiting until it was all paid." I asked him if Mr. Smithson's notes were entered in our books? He answered me that they were not. He did not say he was "waiting until they were all paid." I reported the facts to the Book Committee, and requested an examination. Instead of giving any attention to my report, they referred it to Dr. Carlton.

The Rev. A. W. Wilson and Mr. T. J. Magruder of the Church South, appeared before the Committee, and gave explanations of the debt, and assurances that it would be paid, something I had never doubted. Immediately after Messrs. Wilson and Magruder left the Committee, Dr. Carlton was heard to say to the latter, "Thank God, Magruder, for what you have done for me to-day. You have done me the greatest service in the world. Lanahan is now completely down, and we will keep him down. A resolution will be offered in the Committee exonerating me from all blame and it will pass." This was not the only instance in which he knew what the Committee would do before it was done. A

majority of them were truly his obedient servants—always ready to do, or not to do, whatever was agreeable to him. Fortunately he put in writing without date, the following explanation of the above transaction:

To the Book Committee:

Dear Brethren.—Some time during the year 1858 or 1859 Dr. Sehon, Secretary of the Missionary Society of the Methodist Episcopal Church South, called on us to ascertain how we made our remittances to China for the support of our missionaries in that country. We informed him that we procured letters of credit from Brown Brothers & Co., of this city, on Brown, Shipley & Co., London, and that upon these letters our missionaries could draw from time to time, as they might need money for their support, until the amount of the letters should be exhausted.

On December 7, 1859, Dr. Sehon returned to the city, visited Brown Brothers & Co., and on application to them for letters of credit on which their missionaries might draw for their salaries, was informed that they would grant their request, provided they would procure the endorsement of the Methodist Book Concern, as the Missionary Society here had been accustomed to do for many years. A letter of credit was issued, and Dr. Sehon came to the Book Concern and requested the Book Agents to become sureties for the payment of the drafts that might be drawn on said letters of credit until the amount was exhausted.

The Agents having been for many years sureties for the Missionary Society of the Methodist Episcopal Church did not see how they could consistently refuse this act of brotherly kindness to a Sister Church, especially as they were informed by the said Secretary that funds were in hand to meet all drafts that might be drawn on the said letters of credit, and that the only object was to get them to China. Under these circumstances, and in view of the sacredness of the cause to be benefited by this act of courtesy, and a feeling that there was not the least hazard in the matter, the Agents did become sureties for the payment of this, and one or two other letters, and up to the time that all mail facilities between New York and Nash-

ville were by the late war suspended, every draft was promptly paid, and no doubt but all other drafts would have been so promptly met but for the afore-mentioned circumstances.

On the 18th of December, 1862, the amount for which the Book Concern was responsible, by the advance of the price of gold and exchange, was $20,607.86. Under the then existing circumstances, your Agents, as they had the money, judged it best to settle up the matter and accordingly paid the above-named amount.

Subsequently to the close of the war, the said Missionary Society, by a committee appointed for the purpose, came to New York and settled up the account of principal and interest, on which there has been paid $7,301.18, and but for the loss of the money that was forwarded to meet one of the notes of $11,000.00, the large portion of the debt would have been paid and the whole matter settled by the first of April next.

The Agents honestly believed that in view of the large trade the Concern was having with the South at the time, and the friendly feeling that was constantly on the increase toward the Book Concern, that by refusing this friendly act they would do harm to the interests of the Concern. We may have erred in judgment, but we acted as we judged best at the time; and now, brethren, we submit the matter to you.

(Signed) THOMAS CARLTON,
JAMES PORTER,
Agents.

This remarkable letter suggests several questions:

1. As Dr. Porter's connection with the Book Concern had ended nearly two years before the letter was written, is it at all probable that he signed it as one of the "Agents"? I never believed that he ever saw the letter, or had any knowledge of the transaction to which it related. The facts prove the latter, at least.

2. Was Dr. Sehon so uninformed that he had to go from his office in Nashville, Tennessee, to the Book Concern, at New York, to learn how to send money to missionaries in

China? He was not a novice in such matters. That was not the first time he had arranged to send money to missionaries in China.

3. If "funds were in hand to meet the drafts that might be drawn," would not their deposit with Brown Brothers have been better than any other security, and could not the matter have been arranged through any bank in Nashville, and thus obviate the necessity of Dr. Sehon going to New York "to ascertain how we made our remittances to China for the support of our missionaries"?

The facts are in direct conflict with the statements of the letter. The loan was not made "December 7, 1859," but in December, 1862, when the war was raging between the North and the South. As to "the large trade the Concern was having with the South at that time, and the friendly feeling that was constantly on the increase toward the Book Concern," I need say nothing. But "in view of the sacredness of the cause" that was "benefited," and the more sacred duty of the Agents (Agent) to make truthful reports to the Church of the use made of its property, was it not a breach of trust to allow two General Conferences to pass and no report of, nor even allusion to the transaction be made? Not only so, but two former Book Committees knew not of it. And the famous one that tried to cover me with odium, knew nothing about it, until I brought it before them. But this is not all—when the loan was made, in 1862, notes were given—not to "Carlton and Porter, Agents,"—but to Thomas Carlton; and that the Church South regarded it as a personal loan from Dr. Carlton, is made evident by the

following letter from the Treasurer of the Missionary Society of that Church:

Nashville, Tenn., Feb. 2, 1872.

Rev. Thomas Carlton, D. D.:

Dear Brother.—It affords me pleasure to inform you that I paid this morning the balance due you by the Board of Missions of the Methodist Episcopal Church, South, for money advanced by you for our Missions in China several years ago. I cannot close this letter without returning you our sincere thanks for your great kindness for protecting our China Mission at a time when it was beyond our power to do so; and for the long and patient forbearance you have shown in reference to the refunding of the money on our part.

Yours truly,
A. H. REDFORD, Treasurer.

Not a word of thanks to Carlton and Porter, Agents, of the Book Concern; nor to the Methodist Episcopal Church, whose money was loaned. Why? Because Dr. Redford supposed the debt of gratitude was due to Dr. Carlton alone, "for the great kindness" he had shown by loaning the money out of his own large fortune, accumulated during his Agency in the Book Concern.

One of the Bishops of the Southern Church, when appealing to the Kentucky Conference, then in session at Covington, Ky., in 1872, to assist in raising the money, stated that it was "a debt of honor due a friend in New York, who advanced the money during the late war." Was that in "December, 1859?"

I have narrated the particulars of this case for several reasons, among them the following:

1st. To show how the Committee received and treated the grave matters I officially presented. The above case they

referred to Dr. Carlton, the person implicated, and his letter was pronounced satisfactory, and his act was approved without asking him a single question. This they called "examining." So in the cases of Goodenough and Hoffman, their denials of their falsehoods and thefts had more weight than my presentation of facts corroborated by numerous respectable witnesses.

2d. To show how the official press was used to pervert facts, mislead the Church and damage me. In the preceding part of this narrative, I have stated that the Book Committee requested me to furnish a synopsis of the long report I had presented at their first meeting. As they had not even looked at that report, I had the synopsis printed and gave each member of the Committee a copy, hoping they would examine the facts I referred to as evidence of my statements, but they did not.

The following is what the synopsis said of the above transaction:

In my investigation thus far, I have made but a limited examination of the general account-books of the office; but in the examination made, I have discovered several entries to which, in my opinion, the attention of the Committee should be called.

One entry is as follows:

Brown Brothers & Co. to Carlton & Porter:

December 9, 1861, to cash		$15,400
July 31, 1862, to cash		3,000
October 21, 1862, to cash		2,500
		$20,900
December 31, 1862, by cash	$292.14	
Jan. 1, 1863, by profit and loss	$20,607.86	= $20,900

It is well known that the house of Brown Brothers & Co. is one of the wealthiest in New York. Such an entry was therefore more than improper.

I have learned from Dr. Carlton that the Agents of the Book Concern guaranteed letters of credit from Brown Brothers & Co. in favor of the Missionary Society of the Methodist Episcopal Church South, which they had to pay,

yet it does not appear that any charge is made upon the books of the Concern to the proper representative or officers of that Society, but the amount is charged to Brown Brothers & Co. in 1862, and in 1863 charged off to profit and loss, where it has stood for about seven years.

March 16, 1868, Mr. Smithson, Treasurer of the Missionary Society of the Church South, gave his notes for the aggregate sum, yet no record of these notes appear on the books of the Concern. In March, 1869, $1,300 was paid on these notes, but of that payment no entry was made, nor has any report of these matters been given to the Book Committee, or appeared in any exhibit made to the Church.

March 10, 1870, the Christian Advocate republished a long editorial from the Western Advocate, headed "Dr. Lanahan's Statement." The Western garbled the above by quoting only these words: "It is well known that the house of Brown Brothers & Co. is one of the wealthiest in New York. Such an entry was, therefore, more than improper." After charging me with intending to "deceive the reader" of my synopsis, the Western said:

What will the reader think, when told that the writer and every member of the Committee knew perfectly well that the wealth of Brown Brothers had nothing to do with the transaction whatever? Brown Brothers were the bankers of certain parties in the South who did business with the Book Concern through the bank, and who fell in debt to the Concern at the beginning of the war. As the war advanced, all communication with the South was cut off, and it looked to the Agents as if the claim was lost. In closing the books for the year, they charged the amount to profit and loss, and credited the bank, and the bookkeeper, now dead, omitted to make a full explanation of the transaction, indicating the parties doing business through the bank. This is all there is in the case.

We give the above as an example of the character of the document and of the explanation that came to the Com-

mittee. We know nothing of the intention of the authorities in the case, but if the Book Committee does not take prompt action to vindicate itself, and to ascertain where the responsibility for the publication of this mischievous document lies, our confidence in its watchfulness of the interests of the Church will be greatly diminished.

Could a more misleading statement have been made? As to "the responsibility for the publication of the mischievous document," there was no difficulty in ascertaining that, as it was signed "J. Lanahan," and had been officially laid before the Book Committee. The evident purpose of the Western Advocate was to make the impression that it had been anonymously published. If that paper had given its readers the above brief extract from "the mischievous document," they could have judged of the propriety of my laying it before the Committee. It had published Goodenough's long denial of the frauds he had committed, and a long statement from his attorneys in the civil suit, but not a word from me, except the above garbled statement with those misleading comments.

But this is not all—the Western not only perverted the facts in regard to Brown Brothers, but also in regard to "the book-keeper, now dead," who manifestly made the entry in the ledger, by the direction of the Agents (Agent), and made it as I have given it. The book-keeper, Mr. J. B. Edwards, died April 10th, 1862 (see Christian Advocate, April 17, 1862, for an account of his funeral). Here is additional evidence that the loan was made in 1862, and not

in "1859," as stated in Dr. Carlton's letter. Was the Book Concern "then having a large trade with the South"?

Thus it appears that $20,900 was taken out of the funds of the Book Concern and kept out seven years without the knowledge of three Book Committees, and two General Conferences which intervened.

One other remark is needed. Representatives of the Church South were told that my complaint about the loan of the $20,900, was because it was to their Church, and that I alleged that the money was used in Missouri and Southern Kansas. I said not a word about that Church, nor about the use made of the money, except that the loan was made to it through its representative, Rev. Dr. Sehon and improperly entered in the accounts of the Book Concern, as due from Brown Brothers & Co., and then charged off as a loss, and that no report of the transaction had ever been made to any authority, or representative of the Methodist Episcopal Church. In that, as in all other matters, I confined myself strictly to what belonged to my duties as a trusted officer and servant of my Church.

APPENDIX II.

ACTION OF THE BALTIMORE CONFERENCE AND DR. SLICER'S ACCOUNT OF THE CONDUCT OF THE BOOK COMMITTEE.

The Baltimore Annual Conference met in Frederick, Md., March 1, 1870. Advance copies of the Christian Advocate were sent to the Conference, in which was the following editorial, double leaded. The Editor, Dr. Daniel Curry, subsequently stated to the Book Committee that it was written by his Assistant, W. H. DePuy, and that he had "not reproved him for writing it." But for it the Book Room controversy would not have been referred to in the Conference:

BOOK CONCERN AFFAIRS—CAUTION.

We have before us in "fly-sheet" form a printed document signed "J. Lanahan," purporting to be a "Statement to the Book Committee" at its recent session. The document, with some material modifications, appeared in the *Baltimore American** of last week, and extra copies of that paper containing it, we are informed, were scattered abroad. Vigorous efforts, we presume, are to be made to send the incendiary document over the whole country. The motive and purpose of the persons engaged in this infamous business are apparent. We may refer to them hereafter. We men-

* The statement that it appeared in the Baltimore *American* or any other paper is absolutely false.

tion the matter now to caution our readers and the public generally against placing any confidence in the damaging allegations therein contained. They were all before the Book Committee, thoroughly traversed, and found to be groundless.

Upon the arrival of the Christian Advocate, I moved a reconsideration of the passage of my character and the reference of it and the above to a committee, which was done. After referring to the fact that the Book Committee had made two reports to the Church, and the further fact that a dissenting report had been made by a minority of said Committee, the Committee thus appointed say:

Your committee also think that, whatever may be the final decision, it must be evident that a state of facts which justified the November declaration of "great mismanagement" and "serious losses" certainly justified the Junior Agent in pushing his investigations. If there were grounds for that judgment, the duty of the Book Agents was manifest; there could be no justification for a neglect to make an examination thorough, searching and sifting. The majority report refer the examinations and the demand for rigid scrutiny to the Assistant Agent. They say: "The Assistant Agent had felt it to be his duty to look into the affairs of the Concern, and had come to entertain apprehensions that there had existed frauds resulting in heavy losses." We believe the Church will, for this vigilance and zeal on the part of the Junior Agent, hold him in grateful remembrance and high appreciation.

The conclusions of the majority report are not only in opposition to those of the November report, in several vital points, but are in direct conflict with the conclusions of the minority report. The majority report gives no evidence. It assumes that it did examine all the testimony carefully, and presents its conclusions, but withholds the testimony. It does not even give an outline of the evidence, but states that its conclusions were reached "after two weeks of

thorough search for truth." This is not questioned by us. nor do we discredit the integrity or ability of those reverend brethren; but we are compelled to say that their conclusions are insufficient without evidence.

At this point we turn to the minority report. This dissents from the positions of the majority. With the same facts and testimony before them, the signers of the minority report declare that nothing has been offered relieving their convictions of losses and mismanagement as set forth in the November report.

They declare that the evidence convinced them that the system of purchasing supplies was discreditable and damaging. They present testimony which seems to be strong and entitled to great weight. They affirm that sufficient rebutting testimony was not offered to set aside the evidence above named. They declare their deliberate judgment that losses very serious have occurred, and that mismanagement has existed.

The majority report does not impeach the testimony offered by the minority. It says in the supplementary resolutions that the "letters and allegations are by no means full, and are, therefore, inconclusive"; but what of them as far as they do testify? It says they were "traversed," but does not say they were disproved.

The minority report gives us an outline of the testimony upon which it relies; the majority asks us to simply accept its conclusions, and that solely upon faith in its judgment. The matter is too grave for that, especially when its judgment differs so widely in November and February. In the name of the Church, in the name of our honored Book Concern, we ask for the facts as they are presented in evidence. We ask entire frankness, and believe concealment a mistake of the gravest character.

We know full well that in conducting the business of so large an establishment, with so many departments and employees, it is not possible to prevent all irregularities; but an irreparable damage will be done if the Church, or any considerable part of it, shall believe that "great mismanagement" exists and is concealed. Indeed, the credit of our great Publishing House is gone hopelessly in the hour that the Church believes that one of her own chosen officers encounters obstruction in official investigations he attempts to make.

In conclusion, we offer the following resolutions:

1. Resolved, That in our judgment, the doubt and dissatisfaction of the Church cannot be removed until the Church is put in possession of the facts as shown in the testimony.

2. Resolved, That in view of conflicting statements which have been given to the Church and the public from the Book Committee in the reports heretofore published, therefore, we recommend a thorough examination, by commission or otherwise, in advance of the General Conference, if possible; if not before, then under its direction, and that such investigation shall extend at least over the time covered by the "consolidated exhibit" contained in the "exhibit of the Methodist Book Concerns," which follows the "annual report of the Book Committee."

3. Resolved, That the thanks of the Church are due the minority of the Book Committee for respecting the call of the Church for facts, and also for asserting the right of the minority to report to the Conferences, and thus giving an additional guarantee to the Church for the future integrity, economy and safety of our great publishing interest.

Resolved, That having carefully investigated the facts connected with the publication of the "statement to the Book Committee," made by Rev. John Lanahan, D. D., Assistant Book Agent at New York, we find nothing to implicate his moral or ministerial character, and therefore do now recommend that his character pass.

T. M. EDDY, Chairman.
JOS. B. STITT, Secretary.
W. B. EDWARDS,
GEO. HILDT,
L. F MORGAN,
B. P BROWN,
A. R. REILEY.

Upon the presentation of the report, a part of which is given above, I addressed the Conference and was followed by Dr. Henry Slicer, whose remarks were reported in the Baltimore *American*. Addressing the chair, he said:

A few words, sir, with regard to the manner in which the minority report got into the secular press. When we had

presented our report, and it had been rejected, we held a meeting and concluded not to throw it before the public through the secular press, but through the first occurring Annual Conference. Next morning, sir, I came out of my room into the study of Mr. Daniel Drew, with whom I lodged, and he handed me the New York *Tribune*, saying, "Here is the report of the majority of the Book Committee." I thought it was no time, sir, to mince matters when the majority could not even wait for the official paper, and I sent word to Bro. Vernon, the Secretary, who had the minority report, that he should give it at once to the secular press. "Will you take the responsibility?" said he. I answered, "Yes, sir; these gentlemen are in hot haste to employ the secular press against the minority, and they shall have their fill of it. If there is anything wrong in the minority report being published in the secular press, just put it upon my head, I can stand it." Never in my life, sir, did I stop to ask, "What is popular?" I ask, What is right? and when I see the right, I will do it, though the heavens fall. So have I acted in this matter, and so shall I continue to act, in the firm conviction that the Church will demand that these wrongs be righted.

I found myself compelled, Mr. Chairman, to be in New York in the month of February, against my judgment, to renew an investigation over which two weeks had been spent last November, at large expense to the Church and great inconvenience to the work. Two members of that Committee, with myself, Drs. Pike and Vernon, thought it our conscientious duty to reiterate in February what we had said in November, and not to stultify ourselves before the Church and the American people.

The Book Committee required Dr. Lanahan to make his communications in writing, and although he complied, the Senior Agent, Dr. Carlton, although required to do the same, never furnished an item, but when the overwhelming statement of Dr. Lanahan was read, got up and said that he had no written statement, and could not refute the statements of his colleague. The truth is, he was overwhelmed, as were the members of the Committee, by the startling facts presented and the evidence sustaining them. Now, sir, what do we see? The editor of an official paper throwing his iron flail at one of the publishers of the paper, the Junior Agent, and attempting to put down the minority

of the Committee who honestly spoke of their sentiments to the Church. It is about time, sir, that the editors were taught that they are not the proprietors of the General Conference papers, but simply the servants of the Church.

It is represented to the country that the Book Committee accepted the report of the minority, which is contrary to the truth, for they rejected it by a vote of eight to four; and afterwards, when they proposed to reconsider it, I just reached my hand to the Secretary's table and put the report in my breast pocket. Finding they were in a trap, "Mr. Chairman," said one, "I move a reconsideration of the vote in order to have the document sealed up with the rest of the papers and sent forward to the General Conference." I saw then that they wanted to get by the day of judgment; and after they had shown their hand, I got up and said: "Mr. Chairman, I hardly think it worth while for brethren to spend their time in reconsidering what is not before them. You had a paper before you, but you kicked it out, and I now give you notice that you will meet it at the Annual Conferences."

I had tried, sir, in every possible way to get in the minority report, and said: "You will certainly, as Christian gentlemen, extend the same courtesy to us that the Supreme Court extends to a minority of that body." But I had just as well whistled to a whirlwind or talked to a tornado. The minority were treated in this unfair manner all through the examination; but as I had gone there against my wishes, I determined to stay and see the end, regardless of the wrongs I witnessed. And now, sir, I do not hesitate to say, that if you fail to put the mark of this Conference upon the proceedings in this case, and upon the editors of this paper (the *Christian Advocate*), no man who goes hereafter to that Book Concern will dare to unearth any amount of defalcation and fraud that may occur, though it be as black as night.

If you do not intend to stand by a conference member in this affair, you need not expect that any man will have backbone enough, in the responsible position of Book Agent, to reveal any amount of wickedness and wrong that may come to his knowledge. Why, sir, after the adoption of the majority report, the committee did solemnly, upon the motion of one of its members, adopt a resolution—by the

same vote that passed the majority report—declaring that hereafter no investigation should be permitted which extended back of the first day of December, 1869; so that what they did see, they glossed over; and what they did not see, they covered up. What does such action mean?

Question by Rev. B. P. Brown.—Was there a single member of the Committee representing the minority placed upon the Sub-committee to draft the report to the Annual Conferences?

Answer.—Not one; nor on the Committee to draft the report to General Conference. The minority were treated as if they had no rights in the Committee. When the lawyer was brought in (E. L. Fancher), Bro. Pike, of the New Hampshire Conference, and myself entered a written protest against his coming, but it amounted to nothing. Some of the Committee seemed more anxious to get the Assistant Agent out of the way by suspending him, than they were to investigate the facts which he laid before them. I hope never to witness a repetition of the scenes enacted in that Committee.

Commenting on the endorsement of my character by the Baltimore Conference, the Christian Advocate said: "To an uninformed looker-on the action was calculated to suggest the suspicion that somebody's conduct stood in need of defense, just as the use of felt and pitch implies that the house roof stands in need of patching." The editor was not present at the Conference, but his readers would infer that he was. If only a tithe of what the Advocate and the Book Committee said and did were true, my character needed vastly more than "patching."

The action of the Conference also stirred anew the indignation of Rev. B. F. Rawlings, Chairman of the Book Committee, who published in the Indianapolis *Daily Journal*, the following,

which some called "A Proclamation of commendation to the New York Preachers' Meeting, and of warning to all dissentients:"

Indianapolis, March 17th, 1870.

To the New York Preachers' Meeting:

Brethren.—The action of the New York Preachers' Meeting on the Book Concern and Book Committee has gone over all the country, and will have a salutary effect, as the utterance of men on the ground, and who know somewhat whereof they speak.

The action of the Baltimore Conference is unexampled in Methodist history, and ought to be branded as infamous, as it doubtless will be, throughout our connection.

It seems to me it is time now to hold men to account, particularly Methodist preachers, who persist in slandering the Concern—no difference who they are, nor what position they hold.

Because some man or men have attempted to blast the Concern, and ignominiously failed, shall the Annual Conferences pass resolutions of condolence? Shame! shame!

Yours truly, B. F. RAWLINGS.

Does not the above look like an attempt to institute a reign of terror? I was told at the time that the New York Preachers' Meeting adopted a resolution of censure upon me, and that the person who offered it said: "Lanahan must be crushed out for slandering the Book Concern." Certainly no means were left untried except physical torture. I judge there is a torture severer than physical—one that leaves a scar without a wound. Such scar I have carried in silence more than twenty years, and unless the Church shall compel an honest investigation of the long continued frauds in her publishing house—if permitted, I will show that scar before the throne of God.

The *Methodist*, of New York, an unofficial paper, owned by some of the chiefest laymen of Methodism, and edited by Rev. Dr. Geo. R. Crooks, now professor in Drew Theological Seminary, said of the "Rawlings Proclamation:"

From various sources which are entitled to credit, we learn that the "Methodist preachers" who are to be held to account for their opinion of the management of the Book Concern, "no difference what position they hold," are the bishops. The Chairman also takes it upon him to "brand" the proceedings of an Annual Conference as "infamous." This is something new in Methodist history; it is decidedly autocratic. The Baltimore Conference adopted a temperate report asserting the right of the minority of the Book Committee to declare their opinion of the condition of the Book Concern to the Church. They also adopted resolutions refusing to send their Sunday-school collections to the present Treasurer of the Sunday-School Union (S. J. Goodenough). These may or may not have been judicious, but were clearly within their right. It is the prerogative of the people who give money to charitable uses to have something to say about disbursing agents.

Are we to understand that the Book Committee will try an Annual Conference? Will they arraign bishops? Will they suppress the minority of their associates? Is it within the province of the chairman to apprise bishops that if the Committee meet again, episcopal conduct may be inquired into? Will they suppress liberty of thought and speech? If they can do all this, we have indeed fallen upon evil times, and Methodists may well ask to what we are coming.

The above is further evidence that the conspiracy against the Bishops was a matter of public notoriety. For demanding a fair and full investigation of the charges of mismanagement and fraud, Dr. Crooks was also bitterly assailed and he was held up to public reproach, as an enemy of the Book Concern, and an effort was

made—which utterly failed—to have him removed from his editorial chair. The whole Church owes him a debt of gratitude of which it has no conception. His noble defense of the truth has made his very name to me "as ointment poured forth," and sweet as the breath of a rose.

APPENDIX III.

A QUESTION ANSWERED.

I have frequently been asked how the Book Concern could stand the great and long continued losses I have estimated to have resulted from mismanagement and frauds, and at the same time add to its capital, pay the salaries of the Bishops, General Conference appropriations, dividends to Annual Conferences, deficiencies in General Conference expenses, etc., etc? In answering these questions, several important matters must be kept in mind. Among them, that one-third of the expenses of the Bishops and deficiencies of General Conference expenses were paid by the Western Book Concern. Also, that the Concern had a complete monopoly of a valuable class of books, several periodicals of large circulation, a permanent and large denominational patronage, and open access to the general public in common with other publishing houses. In addition to the above, the buildings and equipments were all free of debt, and there was always money in hand to purchase supplies at the lowest market price. Did ever another publishing house possess superior, if equal, advantages?

Notwithstanding all these great advantages, the figures show that a very small sum was paid for the purposes named in comparison with the amount of capital invested. The profit and loss account, the items of which I give in detail at the end of this statement, shows that during the ten years, from 1859 to 1868, inclusive, a total of $220,531.64 was paid for all Church purposes. This is an average of $22,053.16 per year. The ledger shows the average amount of capital to have been $658,658.83. Thus, the amount paid for Church purposes—expenses of Bishops, dividends to Annual Conferences, etc., etc., was only three and a half per cent on the capital invested. But it may be asked, was not the capital largely increased during these ten years? According to the ledger, the increase was $44,923.49, which was an average of $4,091.49 per year. That would be three-fifths of one per cent. added to the capital. This added to the above three and a half per cent. shows the entire profits in those years to have been four and one tenth per cent.

But this is not all—in addition to the facts thus stated, an examination shows that the capital stock on the ledger was made to strangely fluctuate from year to year, rising and falling, losing and gaining, to suit peculiar and unexplained emergencies. In some years, the exhibits, as already shown, reported an increase of the capital and the ledger showed a loss. In January, 1861, the exhibit to the Conferences

shows $30,903.08 added to the capital. The ledger shows that there was nothing added.

The profit and loss account ought to and I suppose does give all the payments for Church purposes ordered by the General Conference in the ten years specified. In the following, I give every item found in that account that could apply to those purposes:

1859—General Conference Appropr's..	$361.40	
Salaries of Bishops.....	6,056.19	
		$6,417.59
1860—Salaries of Bishops.....	1,020.61	
General Conference Appropr's..	3,191.70	
		4,212.31
1861—Lucy Hedding (widow of Bishop Hedding)	175.00	
Lucy Hedding (widow of Bishop Hedding)	175.00	
Lucy Hedding (widow of Bishop Hedding)	175.00	
Lucy Hedding (widow of Bishop Hedding)	175.00	
Salaries of Bishops	9,935.25	
General Conference Appropr's..	4,404.72	
Salaries of Bishops (again).....	5,346.67	
General Conference Appropr's..	1,333.34	
		21,719.98
1862—Lucy Hedding (widow of Bishop Hedding)	175.00	
Lucy Hedding (widow of Bishop Hedding)	175.00	
Lucy Hedding (widow of Bishop Hedding)	175.00	
Lucy Hedding (widow of Bishop Hedding)	175.00	
General Conference Appropr's..	2,054.00	
Salaries of Bishops	9,801.15	
		12,555.15

1863—Lucy Hedding (widow of Bishop Hedding)	175.00	
Lucy Hedding (widow of Bishop Heuding)	175.00	
Lucy Hedding (widow of Bishop Hedding)	175.00	
Dividends to Conferences	19,600.00	
Salaries of Bishops	12,311.56	
General Conference Appropr's	2,254.93	
		34,691.49
1864—Lucy Hedding (widow of Bishop Hedding)	175.00	
Lucy Hedding (widow of Bishop Hedding)	175.00	
Lucy Hedding (widow of Bishop Hedding)	58.00	
Dividends to Conferences	20,400.00	
Delegate Account	2,564.98	
Salaries of Bishops	11,173.65	
General Conference Appropr's	2,287.66	
Wives of Bishops (widows)	1,100.00	
		37,934.29
1865—Dividends to Conferences	400.00	
General Conference Appropr's	2,602.23	
Salaries of Bishops	21,765.58	
Wives of Bishops (widows)	100.00	
		24,867.81
1866—General Conference Appropr's	2,068.43	
Salaries of Bishops	25,375.69	
		27,444.12
1867—Salaries of Bishops	20,379.58	
General Conference Appropr's	2,333.10	
Daily Advocate	95.79	
		22,808.47
1868—Bishops' Traveling Expenses	1,007.02	
General Conference Appropr's	5,000.00	
Salaries of Bishops	17,800.00	
General Conference Expenses	4,073.41	
		27,880.43
Total appropriations for 10 years		$220,531.64
Average per year paid by the Concern for all church purposes		$22,053.16

The foregoing tables show the amounts received by the Church from the Book Concern, in the years specified, which amounts, judging by the last twenty years, ought to have been manifold greater.